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BY THE HOUSE OF DELEGATES,

January 19th, 1850.

Read and ordered to be printed.

REPORT

OF THE

BOARD OF STATE'S AGENTS,

FOR THE

Years eighteen hundred and forty-eight and forty-nine.

REPORT.

To the Honorable,

The General Assembly of Maryland,

In conformity with the act of Assembly of 1840, chapter 155, the undersigned in behalf of the Agents appointed to represent the State in all Joint Stock companies in which the State has an interest, have the honor to submit the following

REPORT:

The Chesapeake and Ohio Canal is the only company in which the State has a majority of stock, and consequently a controlling interest, and in as much as the legislature elects directors in all the other works of internal improvement in which the State has an interest, and from the very limited compensation allowed the State Agents, it would seem to have been the intention of the legislature, that their services should be confined exclusively to that work.

From the annual report of the President and Directors of the Chesapeake and Ohio Canal Company, and the proceedings of the stockholders of said company, for the years 1848 and 1849 inclusive, and herewith submitted, (as a part of this report;) the business and condition of the company for the two last fiscal years will clearly appear: since when the work upon the unfinished portion of the canal, has steadily progressed; and the undersigned have the proud satisfaction to know that this great work, in which the State has so large an interest is now triumphantly approaching a successful termination.

During their official connexion with the canal, no *debt* or *liability*, whatever has been incurred by the State for its benefit; and those improvident measures, so recently dwelt upon, by which the canal was brought to bankruptcy and suspension, and so large a debt incurred by the State, are clearly the result of other and anterior systems; and not justly chargeable to the present management of the company.

By the act of 1825, ch. 166, a board of public works was created, consisting of nine members, whose term of service was without limitation. The Governor of the State for the time being, to act as its President, and by the advice and consent of the council, to fill any vacancy that might occur in the board. Various duties were prescribed for them by this act, and among other things, they were by the 8th section required to represent the interest of the State in all joint stock company incorporated to make roads and canals, and to report annually, and whenever thereto required. No salary appears to have been provided for the members of the board, but by the ninth section of the act, the sum of six thousand dollars annually, was placed at their disposal, to be accounted for by them, to the Treasurer and to the Legislature when in session.

Subsequently, the Treasurer of the State was authorised to vote the stock of the State, in all internal improvement companies, either in person or by proxy. And afterwards the Governor, by and with the advice of the council, was directed to appoint a person or persons for this purpose. By the act of 1832, ch. 318, the Governor and council were authorised and required to appoint three suitable persons to represent the State's interest in internal improvement companies. By the 2nd section of this act, the compensation of said Agents was made the same as is allowed to members of the Legislature, including itinerant charges during the time necessarily occupied in the discharge of their duties.

By the act of 1840, ch. 155, the number of Agents was increased to five, to be elected by the concurrent vote of the two houses of the Legislature, and in addition to the duties prescribed by the act of 1832, they were further required to keep a correct journal of proceedings, and to make report to the Legislature, with such remarks, as might seem to them expedient. The Agents elected under this act, continued to receive the same per diem and itinerant allowance, as was provided by the act of 1832,—until by the act of 1841, ch. 290, a fixed allowance of one hundred dollars per annum was passed, in lieu of the per diem, and itinerant charges, allowed under the act of 1832, which reduction was made during their term of service, and without a subsequent re-election.

We have thus given a brief outline of the laws passed upon the subject of the State's representation in the internal improvement companies. From this period, up to the passage of the act of 1844, ch. 281, entitled, "an act for the completion of the Chesapeake and Ohio Canal to Cumberland, and for other purposes," all operations upon the unfinished portion of the canal, were suspended. And the State itself was laboring under the difficulties of an exhausted Treasury, and impaired credit. By the provisions of the act of 1844, ch. 281, already referred to, the President and Directors, were not allowed to enter into any contract for the completion of the canal, until guarantees of the transportation of 195,000 tons of tonnage annually for five years were obtained,

and approved by the Governor and the Board of State Agents, or a majority of them.

The President and Directors were, secondly, not allowed to enter into any contract for the completion of the canal until the same was examined and approved by the board of State Agents—who were required to be satisfied that the said contracts would secure the completion of the canal to Cumberland, and,

Thirdly, the said President and Directors were not allowed to issue a single bond in payment for work done upon the unfinished portion of the canal until the same was first examined, approved countersigned by the board of the State's Agents or a majority of them.

From this statement of the provisions of the act of 1844, chapter 281, for the completion of the Chesapeake and Ohio Canal to Cumberland, it will be seen that a performance of the duties imposed by said act upon the board of State Agents was absolutely necessary to a further prosecution of that magnificent enterprise. A refusal on their part to comply, would have rendered the law nugatory, and the company powerless. Further suspension, would inevitably have been the result, until the Governor could have convened the Legislature to make provision to meet the case. Although thus rendered almost executive officers of the company—a position never contemplated by their original appointment, and although no provision had been made to defray even their personal expenses, yet to avert so serious a disaster, and to avoid the expense and inconvenience consequent upon an extra session of the Legislature, the Agents promptly and diligently addressed themselves to the new duties and responsibilities that had been imposed upon them, without their agency or consent.

They examined, and with the Governor approved the guarantee bonds, for the transportation of 195,000 tons of tonnage, as required in said act of 1844. They also carefully examined and approved the contract (a most complex and voluminous document) with its subsequent modifications and alterations for the completion of the canal to Cumberland; and have also up to this time, examined, approved and countersigned, in sums of 500, and 1000 dollars each, \$1,450,000, of which \$1,346,500, have been paid out in monthly payments, in fulfilment of the provisions of the contract, made under authority of the act of 1844 aforesaid. Thus leaving a balance still in the hands of the company, and which they have authority under the law to issue, amply sufficient, according to the estimate of the chief engineer, to complete the canal.

These various and additional duties, have necessarily devolved a great amount of time, labor, and responsibility upon the Agents of the State. The near approach of the final completion of the canal, a consummation so long deferred, and without any additional burden upon the State, is the best evidence they can offer that these duties have been well, and faithfully performed. They now respectfully submit the question of remuneration to the justice of your honorable body.

The undersigned cannot conclude this report without paying a well merited tribute to the ability and fidelity with which the President and Directors have discharged the various and responsible duties devolved upon them.

All of which is respectfully submitted,

SAM'L. SPRIGG,
A. B. DAVIS,
On behalf of the Agents.

JOURNAL.

Proceedings of the Stockholders of the Chesapeake and Ohio Canal Company, for the year 1848.

Exchange Hotel, Baltimore,

MONDAY, June 5th, 1848.

In conformity with the charter and the existing standing order, a meeting of the stockholders of the Chesapeake and Ohio Canal company, convened this day, at the Exchange Hotel, in Baltimore.

Present—The State of Maryland, by Gov. SAM'L SPRIGG, and WILLIAM T. GOLDSBOROUGH.

The Corporation of Georgetown, by JOHN MARBURY, and JOHN KURTZ, Esquires.

On motion,

Gov. SAMUEL SPRIGG, was called to the chair, and *Walter S. Ringgold*, acted as secretary.

James M. Coale, Esq., President of the company, appeared before the meeting to present the twentieth annual report, but there being no quorum present;

On motion,

The meeting adjourned until to-morrow at 12 o'clock, M.

TUESDAY, June 6th, 1848.

The stockholders assembled this morning, pursuant to adjournment on yesterday.

Present—The State of Maryland, by Gov. *Samuel Sprigg*, Gen. *Tench Tilghman*, and *A. B. Davis*, Esq;

The Corporation of Georgetown, by *John Marbury*, and *John Kurtz*, Esqrs.

A quorum being now in attendance;

On motion,

Gov. *Sam'l Sprigg*, was called to the chair, and *Walter S. Ringgold*, appointed secretary.

James M. Coale, Esq., President of the company, appeared before the meeting, and read in behalf of the President and Direc-

tors, the twentieth annual report of the President and Directors of the Chesapeake and Ohio Canal company, to the Stockholders; and is as follows;

REPORT:

Office of the Chesapeake and Ohio Canal Co., }
Frederick, June 5, 1848. }

*To the Stockholders of the Chesapeake and Ohio Canal Company,
in General Meeting assembled:*

GENTLEMEN:—We have the gratification to inform you, that the work on the Canal, between Dam No. 6 and Cumberland, is now progressing under the most favourable auspices, and with every prospect of a continuation to completion.

In the last annual report were presented and explained to you the act of the Legislature of Virginia, of the 8th of March 1847, providing for a guaranty by that State of the bonds of the company, to be issued under the act of the General Assembly of Maryland, passed at December session 1844, ch. 281, to the amount of three hundred thousand dollars, and the proceedings of the Corporations of Washington and Georgetown, and certain citizens of Alexandria, providing for a subscription to the amount of one hundred thousand dollars of said bonds, making altogether an aggregate equivalent to four hundred thousand dollars. You were, at the same time, informed of the fact, that all these provisions were dependent upon its being shewn to the entire satisfaction of the Board of Public Works of Virginia, and (with the exception of the first clause, in regard to which the corporate authorities and parties themselves appear to have been already satisfied,) of the Commissioners of the sinking fund of Georgetown, and a special committee appointed for the purpose in Washington, respectively, that the revenues of the company, pledged by the act of the General Assembly of Maryland; to the payment of the principal and interest of the bonds issued in pursuance thereof, will when the canal shall be completed, be sufficient for the purpose—that the interest on said bonds will be punctually paid by the contractors during the progress of the work, according to the terms of their contract; and that, with the aid thus afforded, a sufficient amount of funds had been secured to complete the canal to Cumberland.

You were likewise apprised that a negotiation to fulfil this last mentioned condition was then in progress, with the promise of a successful result.

It now becomes our duty to state to you that the negotiation above alluded to proved an entire failure, by reason mainly, as we were given to understand, of a sudden crisis in the English money market just on the eve of its expected consummation, and the consequent withdrawal of the Messrs. Baring, Bro. & Co., who were the principal parties to the arrangement.

Soon after this became known to the board, we admonished the contractors, that we considered longer indulgence scarcely compa-

ible with the interests of the company, and that unless they succeeded in concluding, or making substantial progress towards the consummation of an adequate negotiation by a given day, we would take into serious consideration the expediency of adopting some decisive measures in regard to the termination of the contract.

In view of this admonition, and with renewed activity, the contractors again entered the money market. The deranged condition of monetary affairs in England, and indeed throughout the continent of Europe, forbidding the hope of aid from that quarter, they turned their attention exclusively to the United States, and through the agency of Gov. Davis and Nathan Hale, Esq., of Massachusetts, and Horatio Allen, Esq., of New York, whose services they secured, they in a short time, succeeded in concluding an arrangement, for the residue of the means required to enable them to fulfil their undertaking.

As you are aware, the company, being prevented by the restrictions contained in the act of 1844, from making a negotiation and paying for the completion of the canal in current money, availed themselves of the privilege and authority conferred by the act to make a contract for the entire work, payable in the bonds of the company, to be issued pursuant to its provisions; and, that, by the contract thus made, the company stipulate to pay in monthly instalments, as the work progresses, a gross sum in said bonds, as the entire consideration for the completion of the canal to Cumberland—the payment of the interest on the said bonds until, and including the half year's interest that will fall due next after the work is finished—and the performance by the contractors of all the other provisions of the contract on their part to be performed. The company is, consequently, not a party to the negotiation above alluded to. But, in as much as with a view of guarding and protecting, in every practicable manner, the resources which were placed at their command, and of better securing the accomplishment of the great end of the contract, it was, by its terms, well and wisely provided that no bonds were to be paid out to the contractors for any work they might execute thereunder until after they had finally concluded an arrangement satisfactory to the Maryland State Agents or a majority of them, and the Board of President and Directors, for the sale, effectual guaranty, or disposal of such amount of the bonds to which they might become entitled as would afford a reasonable assurance of their ability to comply with their engagements, the board have necessarily been made acquainted with the terms of the negotiation, and as a matter of interest to the stockholders, will here present to you an outline of its plan and details.

The basis of the negotiation consists of a deed, or instrument of writing of three parts, bearing date the 29th day of September, 1847, and executed by James Hunter, Thomas G. Harris and Wm. Beverhout Thompson, the contractors, as the parties of the first

part; some twenty-nine capitalists, residing principally in Boston, New York and Washington city, as the parties of the second part; and the Hons. John Davis and Nathan Hale, of Massachusetts, and Horatio Allen, Esq., of New York, as the parties of the third part. By this instrument the contractors, or parties of the first part with a view to insure the fulfilment of their contract, for the completion of the canal, and for the better security of the parties of the second part, from whom a large portion of the money is to be obtained for the accomplishment of that object, have constituted and appointed Messrs. Davis, Hale and Allen, the parties of the third part, their Agents and Trustees, with full power and authority for them, and in their names, to carry into execution their contract with this company, and to receive from the company all payments of bonds that may be made thereunder.

The parties of the second part covenant and engage, each for himself, his Executors and Administrators, to purchase and receive from the parties of the first part, through their Agents and Trustees, above named, from time to time, as they are issued by this Company, pursuant to the contract, the amount of Bonds set opposite to their respective names, at a certain specified rate, amounting, in the aggregate, to half a million of dollars.

The parties of the third part accept the trust and agency, and severally covenant to carry the same into effect, according to its true intent and meaning, by carrying into execution, so far as shall be in their power, as the agents and attorneys of the contractors, their contract with this Company—by enforcing the execution, as soon as they shall be able, of the contracts already made with sub-contractors—by making sub-contracts for such other portions of the work as had not already been sub-let, or causing the same to be executed by the principal contractors themselves—by receiving from this Company the Bonds that shall, from time to time, become payable, and applying the proceeds thereof to the fulfilment of the said contract for the completion of the Canal, and after fulfilling all the engagements under said contract, and defraying the necessary and proper expenses incurred therein, paying over the residue of the said Bonds to their principals, the parties of the first part.

They also engage to keep regular accounts of all the work done, and services performed in the execution of the contract, and of the Bonds received and the disbursement of the proceeds thereof; which accounts are to be at all times open to the inspection of the parties to the deed, so far as they may be respectively interested therein.

The instrument is of considerable length and very specific in its details, but the foregoing sketch may be sufficient to give you a general idea of its import and object, which we deem proper and expedient for you to have, in order that you may more clearly understand the reliability of the means provided, and the powers and duties of the new parties who, as the agents and attorneys of the

contractors, are now brought into immediate connexion with this Company, in the execution of the contract for the completion of the Canal.

In addition to the negotiation for a half a million of dollars, secured by the tripartite deed above mentioned, we learn that arrangements have been made with the sub-contractors for paying them, to the amount of two hundred thousand dollars, in said Bonds, and these two amounts added to the Virginia guaranty, and the subscriptions of Washington, Georgetown, and certain citizens of Alexandria, before referred to, make an aggregate negotiation equivalent to one million one hundred thousand dollars, and leave still, of the consideration in Bonds, mentioned in the contract, a balance in reserve, amounting to one hundred and ninety-one thousand six hundred and sixty-six dollars, which the said agents and attorneys are empowered hereafter to convert into money and apply to the fulfilment of the provisions of the contract, if they shall be found necessary, or to such extent as they may be required.

The plan of negotiation having thus been filled up, it became the duty of the agents, Messrs. Davis, Hale, and Allen, to satisfy the Board of public works of Virginia, and the committee and commissioners of Washington and Georgetown, in regard to the conditions precedent upon which their contributions, and that of the citizens of Alexandria, depended. As much confidence was placed in the opinions of these gentlemen, who had carefully investigated the strength and sufficiency of the securities provided, and made a personal examination of the line of the Canal, and its sources of trade, and as the parties to whom the decision was referred were themselves familiar with the general subject, but little difficulty was experienced in this particular, and their resolves and proceedings, assenting to the arrangement as altogether satisfactory, were soon obtained, copies of which will be found in the Appendix, marked A, B, C.

The result of the arrangements and negotiation thus completed was then made known to the Maryland State Agents and the Board of President and Directors, and being considered by them a sufficient compliance with the proviso of the contract, to which we have adverted, to authorise the delivery of Bonds, in payment of monthly estimates of work done, &c. under the contract, according to its terms and provisions, the contractors and their agents and attorneys were, on the 13th of November last, apprised of such fact, and they accordingly proceeded at once to organise a force, and recommenced operations between Dam No. 6 and Cumberland, on the 18th day of the same month.

The 18th annual report contains a full synopsis of the contract as originally entered into; but the lapse of time, and other circumstances having rendered some modifications necessary and expedient, they were agreed to by the Board, with the approval of the Maryland State Agents. Soon after the execution of the contract, Walter Cunningham, one of the contractors, retired from the co-partnership, by an arrangement among the parties, and Thomas

G. Harris having more recently been substituted for Walter Gwynn, by agreement between them, the only persons now known to the company as contractors are Jas. Hunter, Thos. G. Harris and Wm. Beverhout Thompson, who act, we believe, under the partnership name of Hunter, Harris & Co. Besides recognising this withdrawal and change of the parties to the contract, the modifications provide more distinctly for a just regulation of the basis of the monthly estimates, so as to make them conform, as was intended in the original articles, as near as may be, to the consideration in bonds stipulated to be paid, with a proviso, that the scale of prices shall at no time exceed the prices assumed in the August estimate of 1845, more than twelve and a half per cent. They direct that each monthly estimate shall embrace all the work done under the contract to the date of the estimate, as had previously been the practice, and give a discretionary power to the President, or Board of President and Directors, in regard to the reservation of per centage therefrom, provided the same shall not exceed twenty nor be less than ten per cent., without the assent of the Maryland State Agents, or a majority of them. They provide that the payment of the instalments to the Trustee, for the use of the company, shall commence in January 1848, and be made on or before the 15th day of each month thereafter, and authorise the delivery in advance, in the discretion of the President or the Board, of the like amount of bonds for each of said instalments; and also in like manner the delivery in advance of the bonds for the instalments of interest from time to time, as the period for its payment approaches, provided that in neither case shall it be made more than fifteen days before the instalments respectively become due and payable; and, subject to the right of abandonment for future non-performance of covenants, they extend the time for the completion of the canal, to the first day of October 1849.

These are, in substance, the modifications that have been made in the provisions of the original articles of agreement, and they were indispensably necessary, to enable the contractors to fulfil the undertaking. It will be perceived that, with the exception of the alterations in regard to the times of performance, and the recognition of the present parties, the changes made are merely intended to relax the stringency of some of the original provisions, and that, in effecting this object, a controlling power, in regard to these provisions, is still retained in the Company, to be exercised by it at discretion.

A mortgage, pursuant to the sixth section of the Act of 1844, ch. 281, has also been executed, for the purpose of giving full effect to the provisions of said Act.

Besides the specific obligations to their principals, which the agents and attorneys of the contractors have assumed upon themselves, by the execution of the tripartite deed of which we have spoken, they have agreed to make to this Board a quarterly statement of their proceedings in the execution of the contract, in order that we may be kept advised of their progress; and, in pursuance of that agreement they, on the 11th of April, presented a com-

munication, exhibiting the state of affairs at the close of the preceding month, and the opinions they entertained in regard to the sufficiency and availability of the means at their command. The communication is full of interest, and as it contains a summary statement of the unfinished work between Dam No. 6 and Cumberland, and shows the arrangement made and contemplated for its execution under the contract, we will, although the Company has nothing to do with the sub-contractors, or their contracts, which forms a part of the subjects treated of, except as matters of general interest, present to you a copy of it in the Appendix, marked D, merely omitting such parts as are inapplicable to existing circumstances, and which, so far as the Company is concerned, will be more fully explained in this report, and brought down to the present time.

By reference to the communication it will be seen, that much the largest portion of the work, under contract with Hunter, Harris & Co., was in course of prosecution on the first of April, and that, although during the winter months the force employed by them was not so large as was desirable and ought reasonably to have been expected, efficient measures were then about being taken by their agents and attorneys for its augmentation. These gentlemen appear to be fully sensible of the importance of this matter, and to manifest a commendable spirit and determination in regard to it. To show their ability for the most energetic prosecution of the work, and the general performance of the contract, we invite your particular attention to those portions of their communication in which they present their views in reference to the interesting subject of the means at their disposal, and of the entire sufficiency of those means to fulfil the undertaking of their principals.

They say: "From a careful consideration of the whole subject with which their duties and names are now connected, the Trustees are fully confirmed in the position heretofore taken, that the resources at their disposal will prove entirely adequate for the completion of the Canal, as undertaken by Hunter, Harris & Co." Again: "The Trustees have the satisfaction of reporting that, the arrangements made for the money required, have proved to be, as represented of the most reliable character. There does not appear to be the remotest probability of disappointment in this important particular."

It will also be perceived that they indicate their purpose of "adopting all measures necessary to ensure the most rapid prosecution of the work, consistent with sound judgment and ultimate satisfactory result," so as to complete the canal as early as practicable before the period limited in the contract, (1st October, 1849,) with a view to the accommodation of the coal trade. Since the date of their communication, we have the pleasure to inform you that they have given an earnest of their purpose to fulfil the promises thus made, by a considerable accession to their force, particularly during the two last weeks, and that active efforts for its further increase are still being made.

According to the statement of the chief engineer of this company, the force in operation on the line of the work, on the 2nd instant, amounted to between seven and eight hundred laborers, and the number is still daily increasing.

So soon as the work was recommenced in November last, an Engineer corps was formed, to direct and superintend its execution. The officers and agents composing it are in the service of and paid by the company, and at present consist a chief engineer, Chas. B. Fisk, Esq., who, either as chief or subordinate, has been connected with this department of the company ever since its organization, with the exception of a brief interval in parts of the years 1840 and '41—and three assistant engineers, each heading a party composed of the usual auxilaries. By an order of the board, of the 13th of January, when all doubt in regard to the continued prosecution of the work was dissipated, the salary of the chief engineer, which had been reduced a thousand dollars during the suspension, was restored to the former rate of \$3000 per annum, and made to take effect on the first of October last, which was the beginning of the quarter within which operations on the line were resumed. The salaries and pay of the other officers and subordinates of this department, are fixed at fair rates, according to their respective grades and duties, as will be seen by reference to statement E in the Appendix.

The total work done under the contract, to the 31st ultimo, inclusive, according to the estimate of the chief engineer, amounts to \$146,674 83, on which payments have been made to the contractors, through their agents and attorneys, in the bonds of the company issued under the act of 1844, ch. 281, pursuant to the terms of the contract, to the amount of \$132,000, leaving \$14,674 83 as the amount retained as per centage to this date. The board make the minimum reservation at this time, in consequence of the heavy expenses incurred by the parties in getting the work fully under way. To the above mentioned sum paid out in bonds under the contract upon the monthly estimates for work done, is to be added the sum of \$36,000 in said bonds, paid and delivered to the contractors, through their agents and attorneys, for the instalments of current money paid by them to the Trustee for the use of the company pursuant to the terms of the contract, making the whole amount of bonds issued under the Maryland Act of 1844, ch. 281, and paid out by the company to Messrs. Hunter, Harris & Co., through their agents and attorneys, to this date, \$168,000. Of this issue, bonds to the amount of \$54,000 have been endorsed with the guaranty of the State of Virginia, pursuant to the provisions of the act passed by said State on the 8th day of March 1847.

The current money paid to the Trustee for the use of the company, above alluded to, consists of the first five instalments of the \$100,000 provided for in the contract. This fund, as was explained to you in the 18th Annual Report, is applicable to the discharge of the necessary expenses appertaining to the completion of the

canal, including unsettled claims for lands condemned between Dam No. 6 and Cumberland, the salaries and incidental expenses of the engineer department, &c. At the date of the contract there were but few of those claims for land remaining unpaid. Such as were at that time unadjusted, have, with the exception of one which is now in progress of ascertainment, recently been satisfactorily arranged, upon terms to enable the company to pay them off by monthly instalments accommodated to the periodical receipts of the fund provided for the purpose. This fund will, we think, prove amply sufficient to meet those claims and defray the other expenses for which it was intended.

The amount received by the Trustee to the 31st ultimo, and the disbursements therefrom, are as follows :

Amount received by Trustee, being the instalments of January, February, March, April and May, 1848, - - - \$36,000 00

Disbursements, per orders of the Board and by requisitions, to the 31st of May, inclusive, viz :

For pay and expenses of the Engineer department, - - - \$17,971 12

Upon claims for lands condemned between

Dam No. 6 and Cumberland, - - - 7,340 00

Law expenses, - - - - - 389 00

Contingent expenses, including engraved plates for Bonds to be issued under the Act of 1844, ch. 281, printing, stamps, &c. - - - - - \$1,886 00

----- \$27,586 12

Balance in the hands of the Trustee 31st

May, - - - - - \$8,413 88

In closing this most important branch of our report, we may be permitted to express our congratulations at the cheerful prospect now before you, so far as regards the engrossing question of the completion of the canal to Cumberland. With a contract of approved fairness to all parties—with gentlemen engaged, on behalf of the contractors, in carrying that contract into effect, whose reputations are established throughout the Nation for their success in undertakings of this description; with means certified to by them, after four months experience, to be all sufficient for the purpose, and secured in a manner that leaves “not the possibility of disappointment,” and with the work now steadily progressing, under a promise of its thorough completion during the ensuing year, the company may look back upon the trials and patient struggles of the last four years with solid satisfaction, and feel that their labors and perseverance have not been vain.

We will now proceed to render an account of the general concerns of the Company during the last year.

In the Appendix will be found the financial and other usual statements of the Clerk and Treasurer, which are so full and explicit in regard to the subjects respectively presented by them, as to render any further explanation thereof unnecessary, *viz* :

E.—A list of the officers and agents in the service of the Company, and the compensation to which they have been severally entitled, for the year ending 31st December 1847,—to which is added a list of the engineer corps on the line of completion, with their rate of pay.

F.—The amount of tolls which accrued to the company in each month, and the articles transported on the Canal during the year ending 31st December 1847.

G.—An abstract of the total receipts into, and payments from the Treasury of the company, exclusive of the receipts and payments for completion, for the year ending the 31st December, 1847.

H.—Total expenses of the company during the year 1847 (exclusive of the cost and charges for completion) under their respective heads.

I.—An abstract of the receipts into, and payments from the Treasury from the 1st of January to the 31st of May 1848, the close of the fiscal year.

K.—A general statement of the receipts into and payments from the Treasury of the company from its organization to the 31st of May, 1848.

L.—A general statement of the debts and credits of the company to 31st of May, 1848.

During the first three quarters of the year 1847, the prospects of the Company were unusually flattering as regards the business of the finished portion of the Canal. No breaches of any consequence had occurred. The receipts from the tolls to the 30th of September exceeded those of the corresponding period of the previous year, by the sum of \$10,192 54. We had therefore, at the period alluded to, every reason to expect that the receipts for the entire year would present a substantial and gratifying increase over those of any former year. In this expectation we were, however, disappointed, in consequence of the extraordinary floods of the last quarter, beginning on the 8th of October and repeated in November and December, with intervals barely affording time sufficient to restore the navigation interrupted by the breaches which they produced. The aggregate amount of tolls received during the entire year, ending 31st of December, amounting to \$52,440 35, though still above the general average, is a fraction less than the receipts of the year 1846. But the suspension of trade and the curtailment of the revenue were not the only evils which were occasioned by the floods. They were of such magnitude and extent that the works of internal improvement of every description, railroads as well as canals, in this State and in the States of Pennsylvania, Virginia and Ohio, all in a greater or less degree sustained injury, and though the Chesapeake and Ohio Canal

probably suffered as little in proportion to its length, and sooner resumed operations than the other great canals which were affected by the inundations, the damage done to it at two or three points was considerable. With the aid of temporary loans obtained from the Banks, vigorous measures were immediately adopted to repair the breaches, and by the middle of December the Canal was sufficiently open for boats to pass down from Harper's ferry. On the 15th of February the navigation was restored throughout the entire line, and has continued without interruption to the present time. As the season for the spring freshets has now passed by, we indulge the hope that the residue of the year will prove as favorable, in this regard, as the months that have elapsed. The board having, on several former occasions, adverted to the improvements required on the finished portion of the canal, and the stockholders being fully aware of their continued importance, and the causes of their postponement, we deem it unnecessary to dwell again on the subject in this place. We would, however, state that many complaints having been presented in regard to the danger and difficulty of passing the Canal with loaded wagons, &c., at the crossing at Noland's Ferry, and the boat hitherto used for this purpose being unfit for further service, we have recently caused a substantial bridge to be erected over the canal at that point. It was finished on the 27th ultimo, and will afford every facility to the millers and others for whom the accommodation was intended. As the completion of the canal to Cumberland is now, we believe, generally understood to be reduced to a certainty, renewed efforts will be made to obtain the necessary funds to make some other improvements, which, though not of such indispensable obligation; are, if possible, of more importance, in view of the security of the canal, and the maintenance of the navigation.

In conformity with the recommendations of the last annual meeting of the stockholders, the board, on the first day of July last, passed an order, placing the entire finished portion of the canal under the immediate superintendance of the chief Engineer, with such powers and authority as in their opinion were, under, existing circumstances, best calculated to ensure an exact discharge of duty on the part of subordinates. The very limited and precarious resources of the company, however, under existing circumstances, afford but little scope for the exercise of the most important functions with which he was invested. After the canal is finished and the company are able to command the requisite means to carry it into full effect, the system of management thus adopted with some modifications, may prove highly salutary in all respects.

The board also, at the meeting above mentioned, appointed an Inspector of cargoes at Georgetown, and have established a system of rules for his government in the discharge of his duties. We have likewise, in fulfilment of the purpose indicated in the last annual report, passed an order, authorising the issue of certificates of debt redeemable at the pleasure of the company, and bearing in-

terest at the rate of six per cent. per annum, in liquidation of the debts due and in arrear for repairs on the canal, and for officers' salaries, prior to the 10th day of March, 1845, when presented in sums of not less than twenty dollars. The parties who held those claims appear to be well satisfied with this arrangement, and when notified, have applied for their certificates with much promptitude. The total amount of certificates issued to the 31st ultimo, all bearing date the 1st of January last, is \$30,367 97, which, including the interest, constitutes about one half of the whole debt of the class alluded to. The residue will, doubtless, be liquidated in the same way, so soon as they are properly adjusted and the persons having them in possession are advised of the plan adopted. The disposition thus made of the debts for current expenses, which were unfortunately suffered to accumulate prior to the year 1844, and which have hitherto so injuriously effected the credit of the company upon the line of the canal, will relieve the board from many causes of vexatious importunity, and tend to foster an increased confidence in the system at present pursued in the administration of affairs. Sound policy indicates the expediency of adopting, at an early day, or at least so soon as the canal is completed, a similar course in regard to the script and outstanding debts and judgments for construction. A plan could be devised to consolidate or fund these upon some equitable basis, by a uniform issue of bonds or certificates of debt bearing interest, which would, we think, be beneficial to all parties, and be generally satisfactory. The general affairs of the company would then be reduced to systematic order and perspicuity, and with a full consciousness, of its responsibilities, and a confident reliance on the future, it could move on steadily to the fulfilment of its destinies.

By order of the board,

JAMES M. COALE.

President of the Chesapeake and Ohio Canal Co.

APPENDIX.

(A.)

At a meeting of the President and Directors of the Board of Public Works, held October 4th, 1847, the following proceedings were adopted :

It having been shown to the satisfaction of the Board of Public Works, that the sum of three hundred thousand dollars will secure the completion of the Chesapeake and Ohio Canal to Cumberland, and that the revenues of the Chesapeake and Ohio Canal Company pledged by the act of the General Assembly of Maryland to the payment of the principal and interest of the Bonds issued in pursuance thereof, will, when the said canal shall be completed, be sufficient for that purpose ; and the Board being further satisfied that the interest which may accrue upon the bonds hereinafter mentioned, while the said canal is in progress of completion to Cumberland, will be paid by the said Chesapeake and Ohio Canal Company, or their contractors--Be it therefore,

Resolved, That the Treasurer of the Commonwealth be, and he is hereby authorised to subscribe or endorse the guarantee of the State to the bonds of the Chesapeake and Ohio Canal Company, to be issued in pursuance of the said act of the General Assembly of Maryland, to an amount not exceeding three hundred thousand dollars, in the manner and form prescribed by "an act authorising the State's guarantee to certain bonds of the Chesapeake and Ohio Canal Company," passed March the 8th, 1847, chapter 107.

A true copy from the minutes :—Test,

(Signed.) J. BROWN, JR., 2d Auditor of Va. and
Secretary ex officio to the Board of Public Works.

(B.)

GEORGETOWN, D. C., Nov. 8, 1847.

To Messrs. John Davis and Nathan Hale :

GENTLEMEN: We have received the communication which you addressed to us from Boston on the 2d instant.

We were appointed by the corporation of this town commissioners on its part to advance \$25,000 of its stock to the contractor, with the Chesapeake and Ohio Canal Company, for completing the canal to Cumberland, bearing interest at the rate of six per cents yearly, payable half yearly, and redeemable at the pleasure of the corporation, in exchange for a like amount of the bonds of the Chesapeake and Ohio Canal company. The advance of our stock, as above stated, was not to be made until the contractors had complied with certain conditions—these conditions being now complied with; by the information furnished in your letter of the 2nd instant, we will be ready to deliver the stock as authorised by our ordinance, when called for by those who may be authorised to receive it.

With great respect, your obp't. serv'ts,
(Signed,)

H. ADDISON,
D. ENGLISH, JR.,
W. S. NICHOLLS,
Commissioners.

—
(C.)

MAYOR'S OFFICE. }
Washington, Nov. 13, 1847. }

To Messrs John Davis, Nathan Hale and Horatio Allen :

GENTLEMEN : The undersigned committee on behalf of the corporation of Washington, constituted by an act of the said corporation of the 14th of April, 1847, entitled "an act to aid in completing the Chesapeake and Ohio Canal to Cumberland," hereby make known to you that the conditions of the proviso of the 1st section of said act having been complied with to the satisfaction of the undersigned, they hold themselves ready to issue the fifty thousand dollars of six per cent. stock of this corporation, authorised by said act, in exchange for a like amount of the bonds of the Chesapeake and Ohio Canal company, authorised by an act of the Legislature of Maryland of December session, 1844, in conformity with the conditions and restrictions of the said act of this corporation of the 14th April, 1847.

(Signed,)

W. W. SEATON, *Mayor.*
LEWIS JOHNSON,
Member board Com. Council.
J. W. MAURY,
Member board Aldermen.

(D.)

To the President and Directors of the Chesapeake and Ohio Canal Company:

GENTLEMEN: In pursuance of the duties which we have undertaken as the Trustees of the parties by whom the funds are to be furnished for the completion of the Chesapeake and Ohio Canal, and as agents of Hunter, Harris & Co., who have entered into contract to execute the work, we have now to make our first report, on such matters connected with our trust and agency as will inform the board of the manner in which the work has been commenced, of the arrangements made or directed to be made for its satisfactory prosecution, and of the probability that the expectations of all parties will be realised as to the time in which the work will be ready for navigation and at a cost within the resources at the disposal of the trustees.

That our information might be of the most reliable character, our examination of the entire line during the past week has been made with much care, and in such detail as to enable us to arrive at correct conclusions, as to the amount of work, the character of the work and the adequacy of the prices at which it has been put under subcontract.

Although it may be a repetition of what, in some particulars, is already in possession of the board, it is necessary, for a connected view of the work, to refer to it in the following manner:

From Dam No. 6 to Cumberland there are 84 sections, 16 locks, 1 dam, 3 aqueducts, 23 culverts, 10 waste weirs, 8 road bridges and ferries, 17 lock houses and 2 stop gates.

The 84 sections may be divided into 3 classes—

1st. 30 sections which were finished before the work was stopped in 1841.

2nd. 6 sections which were so nearly finished as to make the dressing up and putting in order the most important part of the expense yet to be incurred.

3rd. 48 sections which required, in greater or less degree, excavations and embankments to form the canal.

The board are aware that all the heavy sections come under the first two classes, and that the 48 sections yet to be worked are, all of them, of light character, of easy execution and involving no contingencies as to the character of the work.

The finishing of the 36 sections of the first two classes is not of a kind of work which admits of being judiciously put under subcontract, and the Trustees have therefore authorised the contractors to employ three parties under competent persons to execute this part of the work.

The 48 sections named in the 3rd class have all been put under subcontract, as follows:

Section No. 260
" 261

Ignatius Renner.
" "

Section No. 264	William Whitman.
“ 269	“ “
“ 272	Thomas Bell.
“ 277	William Whitman.
“ 282 to 291	Ritner & Co.
“ 295 and 296	Henry Gallagher.
“ 298 and 299	Buel & Watt.
“ 311 and 312	McCullough & Day.
“ 313	Thomas Sims,(probably)
“ 314	John Eggert.
“ 315	John Kelly.
“ 316	Andrew McMahon.
“ 321	Dr. Fitzpatrick.
“ 324 to 328 inclusive,	Everitt & Dilley.
“ 329	John Eggert.
“ 330 to 332 “	Fraser & Co.
“ 337 and 338 “	John Waldron.
“ 339 to 342 “	W. W. Buel & Co.
“ 345	John McManus.
“ 346	John McQuaid.
“ 347 and 348	Steritt & Humbird.
“ 351 and 352	“ “

This provides for all the section work, and in the opinion of the Trustees, it is a provision which leaves no doubt as to the result being entirely satisfactory.

With the exception of Gallagher, on sections 295 and 296, Eggert on sections 314, and Fitzpatrick on section 321, operations have been commenced on all the contracts.

Gallagher has been detained in making repairs near dam No. 4, and has promised to be on his section within a week. Eggert is on his way to his work. Fitzpatrick's section requires material from the opposite side of the river, and he only postpones his operations until the season of the year when he will not be likely to be interrupted by freshets.

On some of the contracts an increase of force will be necessary, but not to an amount which it will be difficult to obtain as opportunity for their advantageous employment occurs.

Some 6 to 8 sections will be finished in the course of the next two months, when a considerable force will be transferred to other sections.

The Tunnel, which is between sections 298 and 99 and 311, is under contract to McCullough & Day.

Of the 16 locks, 8 are of masonry and 8 are composite locks, and the arrangements for their construction and completion, are as follows;

Lock No. 54 on section 257	Moyle, Randal & Jones.
“ 56 “ 262	“ “
“ 58 “ 277 not let.	
“ 59 “ 282 (comp.)	Ritner & Co.
“ 60 “ 288 “	“

Lock No. 61 on section 295 (comp.)	Ritner & Co.
“ 62 “ 298 “	Buel & Watt.
“ 63 1.3 “ 299 “	“
“ 64 2.3 “ “ “	“
“ 66 “ “ “	“
“ 67 “ 322 “	Wm. P. Steritt.
“ 68 “ 329 (mas.)	Fallan & Ambrose.
“ 69 “ 331 “	“
“ 70 “ 332 “	“
“ 71 “ “ “	“

Weigh lock at Cumberland not let.

Of the locks mentioned in the preceding list, nearly all the cut stone for lock Nos. 54 and 56 is prepared and delivered, and nearly all the stone for lock No. 58 is cut, but not delivered.

The dam No. 8 at Cumberland, has its foundation laid up to low water—about one fourth of the stone required for it is prepared, and all the timber is cut and a large portion of it is delivered. It is let to William Lockwood.

Of the 23 culverts, 17 are let to the following named contractors:

Culvert No. 202 on sec'n No. 262	Moyle, Randal & Co
Do 204 do 277 probably,	do
Do 206 do 283	Ritner & Co.
Do 207 do 285	do
Do 208 do 291	do
Do 210 do 296	Henry Gallagher.
Do 211 do 313	R. Sims & Co.
Do 212 do 314	do
Do 215 do 322	Steritt & Co.
Do 216 do 330	Bruce & Haughey.
Do 217 do 331	do
Do 218 do 332	do
Do 221 do 337	do
Do 223 do 339	do
Do 224 do 340	do
Do 228 do 342	do
Do 230 do 345	do
Do 231 do 346	do

The five remaining culverts are between section No. 352 and Cumberland, and may be said to be about one half finished—the masonry of three of them being more than one half laid, and a large proportion of the materials prepared. These culverts will be put under contract as soon as the other masonry is a little more advanced.

Of the 10 wastes and waste weirs there have been put under contract—

1 on section No. 258,	Moyle, Randal & Jones.
1 “ “ 320,	R. Sims & Co.
1 at aqueduct “ 10,	Hunter, Harris & Co.

The remaining seven will be put under contract as favorable opportunities offer.

Of the three aqueducts named as unfinished—

1 over Sideling Hill Creek is so nearly finished as only to require less than 300 perches of rubble masonry.

1 (No. 9,) over Fifteen-mile Creek has its abutments laid ready for the arch, and very nearly all of the cut stone and a part of the backing are prepared and delivered. The completion of this aqueduct is provided for by subcontract with Thomas Bell, whose preparations will enable him to commence laying the arch in three weeks from this time.

1 (No. 10,) over Town Creek—sixty feet span—one of the abutments is laid and the foundation of the other abutment can be obtained at very small cost.

The proposals for this aqueduct, together with locks Nos. 68, 69, 70 and 71, and sections 330, 331, 332, from Gonder & Co., were accepted by Gwynn & Co. in 1845. At the resumption of work in 1847, Gonder & Co. had embarked in such heavy contracts elsewhere, that they preferred to sublet the work named above. To this the Trustees made no objection, provided that the security for the completion of the work was undiminished, and that the payments as estimated during the progress of the work, should be made to the parties undertaking its execution. Previous to their visit to the line, the Trustees had been informed by the chief Engineer of the company, and also by Hunter, Harris & Co. that this work required attention. On their visit to the line, it was found, on interview with Messrs. Fraser & Co., (the firm who had contracted for the aqueduct, &c.,) that they were not able to carry on the work in the manner required, and wished to surrender their contracts. That no delay might exist in the arrangements for the construction of the aqueduct over Town Creek, it was thought best to authorize Messrs. Hunter, Harris & Co. to receive back these contracts and to direct them to sublet the work without delay.

In accordance with these views, locks Nos. 68, 69, 70 and 71 have been put in the hands of Fallan & Ambrose, and sections 330, 331, 332, conditionally, in the hands of Fraser & Co., at the same prices and terms as those previously made in the proposals of Gonder & Co. The construction of the aqueduct over Town Creek requires more attention, energy and resources than any other work on the line, except the Tunnel and it is doubtful whether, under the circumstances, it does not call for greater immediate exertion than the Tunnel.

In view, therefore, of the circumstances, the Trustees have concluded to authorise Hunter, Harris & Co. to proceed at once with this work, associating with themselves, if they wish, such suitable person as they may find, the terms of payment to be the same as those of late contract with Fraser & Co.

It is believed that by this arrangement, the construction of this aqueduct is placed on the best possible footing, and the Trustees

with confidence entertain the expectation that, at the next quarterly report, the progress made will sustain the propriety of the course adopted.

Since we have left the line, satisfactory arrangements have been made for the immediate prosecution of the work on the aqueduct.

In reference to the tunnel and its completion, the trustees have to report that, the arrangements made by McCullough and Day are, on the whole, satisfactory. It would have been better if McCullough & Day had made their arrangements for burning the brick at an earlier day. The delay has been occasioned by the same circumstances that influenced operations on work taken by Gonder & Co. The parties to the contract, during the interval of suspension, became so extensively engaged elsewhere, that their personal attention could not be commanded as promptly as should have been the case. It is, however, satisfactory to know that mainly through the exertions of Messrs. Hunter and Harris, who have for that purpose taken part in the contract, the arrangements for this work are now of a character to authorise the belief that it will be completed in the time expected.

The furnishing of the cement required for the masonry, has been undertaken by Messrs. Hunter, Harris & Co. themselves. The arrangements for that object are as follows :

They have contracted with George Shafer, at the Mill below dam No. 6, to burn, grind and deliver at the mill 120,000 bushels, at the rate of 12,000 bushels per month, if required, and with Charles Locker, at Cumberland, for 60,000 bushels at the rate of 6000 bushels per month, if required. Both parties have their Mills full of cement, ready to deliver, and the delivery along the line has commenced this week, and no doubt is entertained that the cement will be ready as fast as required.

From the preceding, the board will have learned the engagements entered into, and the arrangements made for the execution of the work required for the completion of the canal. In the opinion of the trustees, they are based on prices and terms which ensure an adequate return for their services, to those with whom these engagements and arrangements are made. Familiar as the trustees are with similar engagements on some of the most important public works now in progress of construction, they know of none which rest on a more secure basis, few as good. But in another point of comparison the completion of the Chesapeake and Ohio Canal, in reference to existing arrangements for that object, stands on a still firmer basis; and this, as the board is probably well aware, is the little room left for contingent expense, as well from the fact that all the work within the fifty miles now in progress of completion, which originally involved heavy contingencies, has been executed, as from the fact that such ample allowances have been made by the chief engineer for the very limited extent of contingencies, which attach to the unfinished work.

From a careful consideration of the whole subject with which

their duties and names are now connected, the trustees are fully confirmed in the position heretofore taken, that the resources at their disposal will prove entirely adequate for the completion of the canal, as undertaken by Messrs. Hunter, Harris & Co.

In reference to the time at which the canal will be ready for navigation, the trustees have to report, that it is, in their judgment highly important that the time named in the contract should be anticipated, as only in that event would the sales of coal for the season of 1849 be effected to an extent that would require a transportation that will furnish some revenue toward the interest accruing. It is difficult, at this time, to say to what extent so desirable a result can be commanded. The trustees have required, and will continue to require, every effort on the part of the contractors and the sub-contractors to increase their force and to adopt all measures necessary to ensure the most rapid prosecution of the work, consistent with sound judgment and ultimate satisfactory result. * * * *

The trustees have the satisfaction of reporting that the arrangements made for the money required have proved to be, as represented, of the most reliable character; there does not appear to be the remotest probability of disappointment in this important particular.

In conclusion, the Trustees have to express the gratification which they have experienced in the examination of the work with the completion of which they are now connected. In its judicious location, ample proportions, well planned structures and substantial workmanship, it is second to none within their knowledge. They doubt whether its equal is to be found in this country.

Respectfully submitted,

JOHN DAVIS,
NATHAN HALE,
HORATIO ALLEN,

Trustees and Agents.

Washington, April 11, 1848.

STATEMENT E.

Statement showing the Officers in the service of the Chesapeake and Ohio Canal Company in the year ending 31st December, 1847, and the compensation to which they have been severally entitled for the same period.

	1st. James M. Coale, President, salary at \$3000 per annum till 24th June, Since at \$1000 per annum, -	\$1447 26 516 44	\$1963 70	
Robert W. Bowie, director till the 7th of June,	-	24 00		
John P. Ingle, director till the 24th of June,	-	72 00		
William Price, director	do	72 00		
John O. Wharton, director	do	84 00		
Daniel Bunkhart, director	do	80 00		
Frisby Tilghman, " dec'd till 31st of March,	-	16 00		
		348 00		
Wm. A. Bradley, director from the 24th of June,	-	84 00		
George Schley, director	do	112 00		
Samuel P. Smith, director	do	144 00		
Henry Dangerfield, director	do	60 00		
Wm. Cost Johnson, director	do	108 00		
John Pickell, director	do	52 00		
		560 00		
William Price standing counsel to the 30th of June,	-	125 00		
George Schley, do	from 22d Sept.	54 17		
W. S. Ringgold, chief clerk, at \$1000,	-	1000 00		
Lawrence J. Brengle, treasurer, do	-	1000 00		
		2179 17		

STATEMENT E.—Continued.

Samuel Fisher, 21,
John Fields, 22,
Edward L. Trail, 23,

3d. Second superintendency:

Wm. S. Elgin, superintendent till 1st March at \$800,
since at 900,

Lloyd C. Belt, collector at Point of Rocks,
Wm. S. Elgin, collector at Harper's Ferry,

150 00
150 00
200 00

133 34
750 00

883 34

50 00
100 00

133 34
750 00

883 34
150 00

133 34
750 00

883 34
150 00

133 34
750 00

883 34
150 00

133 34
750 00

883 34
150 00

133 34
750 00

883 34
150 00

STATEMENT E.—(Continued.)

Andrew McCoy, lock keeper, 40,	-	-	-	-	-	150 00
J. Buchanan, guard lock, 4,	-	-	-	-	-	150 00
Thomas Watkins, Ferry, -	-	-	-	-	-	150.00
4th. Third superintendency:						3075 00
John G. Stone, superintendent at \$800,	-	-	-	-	-	800 00
Eli Stake, collector at Williamsport,	-	-	-	-	-	300 00
Arthur Blackwell, collector at Hancock,	-	-	-	-	-	300 00
						600 00
						1400 00
H. Boyd, lock keeper, Nos. 41 and 42, to 1st April,						
A. K. Stake, since -						
Isaac Dodd, lock keeper, No. 43,	-	-	-	-	-	50 00
J. Holman, 44 water power,	-	-	-	-	-	150 00
C. Myers, 45 and 46 water power,	-	-	-	-	-	200 00
Jacob Motter, guard lock, No. 5,	-	-	-	-	-	150 00
Daniel Brewer, No. 47, 48, 49 and 50,	-	-	-	-	-	300 00
W. Rowland, No. 51 and 52,	-	-	-	-	-	200 00
H. Conner, No. 53,	-	-	-	-	-	150 00
J. Finney, guard lock 6, till 1st of March,	-	-	-	-	-	33 33
J. Doyle, since,	-	-	-	-	-	166 67
						200 00
						1,550 00
						\$18,175 88

Engineer corps, organised for the completion of the Canal between Dam No. 6 and Cumberland.

		31	F
C. B. Fisk, chief engineer, salary from 1st October to 31st December 1847, at \$3000,			
T. L. Patterson, ast. engineer, salary from 24th Nov. to	1100,		
H. M. Dungan, do	1100,		
J. A. Byers, do	1100,		
N. Scroggin, superintendent of sections, 27th November to 31st December, 400,			
James C. Sprigg, rodman, salary from 13th to 31st Dec. at \$1 per day,			
A. B. Bender, do and asst.			
J. Buchanan, do	7th to 31st Dec. at \$40 per month,		
Clem Cox, jr.	27th to do at \$1 per day,		
Wm. Taylor, axeman, from 6th to 31st of December at 75 cts. per day,			
George McAtee, do	20th Nov. to do		
Kunsicker do	18th Nov. to 31st Dec'r at do		
	sundry days at do		
		1274 01	
		\$19,449 92	
RECAPITULATION.			
President, Directors, Standing Counsel, Clerk and Treasurer, -			
Chief Engineer, to 1st of October, 1847, -			
Superintendents, -			
Collectors, -			
Lock keepers, -			
Engineer corps, organized for the completion of the canal between Dam No. 6 & Cumberland			
		\$5050 87	
		1500 00	
		2400 01	
		1475 00	
		7750 00	
		1274 04	
		\$19,449 92	

RECAPITULATION.

President, Directors, Standing Counsel, Clerk and Treasurer,	-	-	\$3000	51
Chief Engineer, to 1st of October, 1847,	-	-	1500	00
Superintendents,	-	-	2400	01
Collectors,	-	-	1475	00
Lock keepers,	-	-	7750	00
Engineer corps, organized for the completion of the canal between Dam No. 6 & Cumberland	-	-	1274	04

STATEMENT F.

Statement exhibiting the amount of tolls which accrued to the Chesapeake and Ohio Canal Company, in each month during the year ending the 31st of December, 1847.

	Ascending.	Descending	Total.
1847.			
January,	\$170 90	\$2,948 71	\$3,119 61
February,	158 99	1,836 87	1,995 86
March,	664 00	9,134 25	9,798 25
April,	1,333 76	7,808 59	9,142 35
May,	1,372 55	6,979 45	8,352 30
June,	896 05	6,966 12	7,862 17
July,	121 35	1,021 20	1,142 55
August,	941 38	3,219 01	4,160 39
September,	730 09	3,831 11	4,561 20
October,	126 48	494 49	620 97
November,	29 26	70 93	100 19
December,	229 69	1,354 82	1,584 51
	\$6,744 80	45,665 55	52,440 35

WALTER S. RINGGOLD,
Clerk of the Chesapeake and Ohio Canal Company.
Office of the Chesapeake and Ohio Canal Co., }
Frederick, January 10, 1848. }

List of articles transported on the Chesapeake and Ohio Canal during the year ending the 31st December, 1847.

ASCENDING FROM GEORGETOWN AND INTERMEDIATE PLACES TO VARIOUS POINTS ON THE CANAL.

Salt Fish, barrels,	-	-	-	-	3,723
Salt, tons,	-	-	-	-	988
Plaster, tons,	-	-	-	-	3,829
Lumber, board measure, feet,	-	-	-	-	770,300
Shad and Herring, fresh, tons,	-	-	-	-	626
Coal, tons,	-	-	-	-	1,687
Flour, barrels,	-	-	-	-	115
Whiskey, barrels,	-	-	-	-	11
Lime, tons,	-	-	-	-	19
Potatoes, bushels,	-	-	-	-	1,112
Iron, tons,	-	-	-	-	104
Bricks, number,	-	-	-	-	178,000

LIST—Continued.

Flax and other seeds, bushels,	-	-	-	-	112
Oysters, bushels,	-	-	-	-	919
Cornmeal, bushels,	-	-	-	-	464
Offal, bushels,	-	-	-	-	3,362
Wood and Bark, cords,	-	-	-	-	72
Iron Ore, tons,	-	-	-	-	3,009
Bacon, pounds,	-	-	-	-	9,300
Nails, kegs,	-	-	-	-	202
Round Timber, tons,	-	-	-	-	212
Dry Goods, Groceries, and sundry articles not enumerated, tons,	-	-	-	-	924
Equivalent to 12,809 tons,					

DESCENDING FROM THE VARIOUS POINTS ON THE CANAL TO INTERMEDIATE PLACES AND TO GEORGETOWN, D. C.

Flour, barrels,	-	-	-	-	176,789
Wheat, bushels,	-	-	-	-	235,212
Corn, bushels,	-	-	-	-	238,216
Oats, bushels,	-	-	-	-	32,035
Rye, bushels,	-	-	-	-	5,108
Corn meal, bushels,	-	-	-	-	17,958
Offal, bushels,	-	-	-	-	87,644
Apples, bushels,	-	-	-	-	1,833
Whiskey, barrels,	-	-	-	-	1,867
Lime, tons,	-	-	-	-	1,180
Limestone, perches,	-	-	-	-	5,499
Stone, rough, perches,	-	-	-	-	5,656
Bacon and Pork, pounds,	-	-	-	-	26,965
Butter and Lard, pounds,	-	-	-	-	2,843
Coal, tons,	-	-	-	-	2,170
Iron, tons,	-	-	-	-	1,078
Wood, cords,	-	-	-	-	5,450
Bark, cords,	-	-	-	-	954
Lumber, board measure, feet,	-	-	-	-	1,583,600
Flax, and other seeds, bushels,	-	-	-	-	1,197
Potatoes, bushels,	-	-	-	-	2,459
Nails, kegs,	-	-	-	-	11,892
Cement, barrels,	-	-	-	-	2,800
Hay, tons,	-	-	-	-	195
Bricks, number,	-	-	-	-	45,500
Round Timber, tons,	-	-	-	-	107
Shingles, Staves, Hoop-poles, &c., number,	-	-	-	-	955,525
Tobacco, lhds.,	-	-	-	-	103
Sundry articles not enumerated, tons,	-	-	-	-	526
Equivalent to 58,631 tons.					

STATEMENT G.

Abstract of the Receipts into, and payments from the Treasury of the Chesapeake and Ohio Canal Company, for the year ending the 31st December, 1847.

The receipts arise from the following sources, viz—	The expenditures are charged to the following, viz—	
	Construction of the Canal (being for the finished portion of the Canal.)	
Tolls,	\$52,572 36	\$78,452 78
Water rents,	1,036 87	2,910 93
Acquisition of Land, rent of ground and houses,	352 50	743 35
Contingent expenses,	8 00	115 31
Capital stock,	100 00	455 36
Temporary loans,	39,500 00	972 83
	93,569 73	114 63
	2,301 22	6,051 38
		1,759 87
Balance from December, 1846.		90 00
		10 00
		1,000 00
		\$92,677 41
In the Treasury, &c., viz—		
£475 per cent. Maryland sterling Bonds due but not issued to the company, at par.		\$2,111 12
Farmers' and Mechanics' Bank of Georgetown, 1,000 00		82 39
Washington County Bank,		
		3,193 51
		\$95,870 95

L. J. BRENGLE, Treasurer.
Treasurer's Office, Chesapeake and Ohio Canal Company, Frederick city, January 6, 1848.

STATEMENT H.

Total expenses of the Chesapeake and Ohio Canal Company for the year ending 31st December, 1847, exclusive of cost and charges for completion.

DATES.	Repairs ordinary.	Repairs extraordinary.	Pay to superintendents, collectors & lock keepers.	Aggregate.
1847.				
January,....	\$1,884 01	\$610 51	\$958 32	\$3,452 84
February,..	1,969 91	773 69	958 33	3,701 93
March,.....	3,923 17	..	958 36	4,881 53
April,.....	3,391 95	..	958 25	4,350 20
May,.....	4,061 60	..	958 35	5,019 95
June,.....	5,163 13	..	958 40	6,121 53
July,.....	4,017 67	830 57	958 25	5,806 49
August,....	2,228 38	1,845 28	983 34	5,057 00
September,..	1,800 62	1,632 85	983 35	4,416 82
October,....	14,421 75	983 30	15,405 05
November,..	18,993 71	783 35	19,977 06
December,..	253 85	9,093 20	983 35	10,330 40
	\$28,694 29	48,201 56	\$11,624 95	\$88,520 80
Pay of officers,.....			\$4,871 70	
Engineer department.....			1,500 00	
Interest,.....			689 76	
Postage,.....			115 31	
Printing and Stationery,			26 53	
Law expenses, (including salary of standing Counsel,)			379 17	
Contingent expenses,			339 05	
Acquisition of Land, (taxes, &c.)....			115 63	
				8,037 15
				\$96,557 95

LAWRENCE J. BRENGLE, *Treasurer and Accountant*
Treasurer's Office Chesapeake and Ohio Canal Company,
Frederick, January 6, 1848.

STATEMENT I.

Abstract of the receipts into, and payments from, the Treasury of the Chesapeake and Ohio Canal Company from the 1st of January to the 31st of May, 1848.

The receipts arise from the following sources, viz:

Tolls, - - - - - \$18,538 42
Capital stock, - - - - - 1,301 38
Water rents, - - - - - 600 45
Acquisition of Land, (ground and house rent,) - - - - - 237 50
Interest, (from capital stock due,) - - - - - 1,636 94
Contingent expenses, - - - - - -
Hunter, Harris & Co. - - - - - -
Balance from December, 1847, - - - - - 36,000 00
3,193 51

The expenditures are charged as follows, viz:

Construction of the Canal, - - - - -	\$ 27,873 44
Engineer department, - - - - -	7,550 00
Interest, - - - - -	1,293 95
Postages, - - - - -	53 46
Post Notes, 1840, - - - - -	95 00
Law expenses, - - - - -	2,126 53
Pay of officers, - - - - -	2,557 66
Acquisition and condemnation of land, - - - - -	7,340 00
Printing and Stationery, - - - - -	306 43
Contingent expenses, - - - - -	450 00
Special contingent expenses, - - - - -	1,392 00
	51,038 47

In the Treasury, &c., viz:

£475 Maryland 5 per cent. sterling bonds due but not issued to the Company, - - -	2,111 12
John Van Lear, Jr., Trustee, - - -	8,413 88
Washington County Bank, - - -	75 29
	10,600 29
	\$61,638 76

L. J. BRENGLE, Treasurer.

Treasurer's Office Chesapeake and Ohio Canal Co., Frederick, June 3, 1848.

STATEMENT K.

General Statement of the receipts into, and payments from the Treasury of the *Chesapeake and Ohio Canal Company* from its organization to May 31st, 1848.

The receipts arise from the following sources, viz:		The payments are charged to the following, viz:—
Capital stock	\$ 8,225,906 39	Swan, Glittings & Gunton, \$ 56,192 62
Post Notes, 1840,	444,800 00	Judgment against chief Engineer and ollies, 2,737 22
Exchange,	195,931 53	Incidental damages, 346 40
Bonds in exchange Post Notes,	8,828 00	Contingent expenses of Commissioner, 1,365 40
Baltimore and Ohio Rail Road company,	268,723 02	Michael C. Sprigg, 4 38
Post Notes, 1837,	405 00	Contingent expenses, 70,522 28
Notes reissuable, \$5 and upwards,	1,205 00	Pay of officers, 153,071 15
Post Notes, 1839,	5,730 00	Profit and loss, 1,328,739 07
Notes reissuable, under \$5,	5,683 75	Engineer department, 376,523 19
Unclaimed Potomac Company's dividends,	216 45	Legislative expenses, 553 19
Potomac Company's general account,	418 52	Law expenses, 33,261 33
Potomac Company's toll account,	3,324 16	Western section, 6,686 57
Chesapeake Bank of Baltimore,	4,113 38	Pay of Lock-keepers, 44,573 95
Profit and loss,	200,962 93	Interest, 822,841 40
Water power,	11,457 14	Tolls, 3,719 21
State of Maryland loan,	2,000,000 00	Printing and Stationery, 18,306 57
Tolls,	634,246 68	Construction of the Canal, 9,084,550 03
Temporary loans,	39,500 00	Acquisition and condemnation of Lands, 411,769 51
Engineer department,	2,748 67	Postages, 2,826 43

[F]

STATEMENT K.—(Continued.)

Law expenses,	2,408 76	Special contingent expenses,	1,392 00
Interest,	300,243 64	Potomac Company's general account,	373 65
Construction of the Canal,	11,469 56		
Acquisition and condemnation of Lands,	27,233 56		
Hunter, Harris & Co. (contractors,)	36,000 00		
		In the Treasury, &c., viz:—	
		£475 Maryland 5 pr. ct. sterling bonds due	
		but not issued to the company, \$2,111 13	
		John Van Lear, Jr., Trustee, 8,413 88	
		Washington County Bank, 75 29	
			10,600 29
			\$12,431,556 14

Treasurer's Office Chesapeake and Ohio Canal Company, Frederick, June 3, 1848.

L. J. BRENGLE, Treasurer.

STATEMENT L.

General Statement of the debts and credits of the Chesapeake and Ohio Canal Company, May 31st, 1845.

39

[F]

DEBTS.

DEBTS.					
1st. Promissory notes issued by the Co., viz:					
Post notes issued 1834, int. at 4 per cent,					
do do 1837, " 6 " "		\$550 00			
do do 1839, " 6 " "		405 00			
do do 1840, " 6 " "		5,730 00			
Bonds issued in lieu of post notes,		444,800 00			
		8,828 00			
Notes re-issuable not bearing interest,			\$460,313 00		
Interest accrued upon the post notes,			6,888 75		
			165,711 18		
				\$632,972 93	
2d. Acceptances and bonds, viz:					
Acceptances of drafts of contractors and others,					
Bonds issued to creditors,					
		148,144 34			
		252,677 22			
Interest accrued thereon,				400,821 56	
				128,955 79	
					529,777 35
3d. Bonds issued to creditors of Potowmac co., who have adjusted their claims by compromise under the 12th section of the charter of this Co.,					
On which annuities are in arrear,					
		58,015 16			
		27,982 21			
				85,997 00	

STATEMENT L.—(Continued.)

Unclaimed dividends of Potowmack company deposited with this Co.,		\$216 45	\$6,213 82
11th. State of Maryland loan of 1834 '5, On which interest is in arrear, Interest, cost of exchange, commission, &c., in remittances to London, by the Treasurer, W. S., Md., to provide for coupons on bonds of \$4,375,000.		2,000,000 00 1,065,000 00	
Guaranteed dividends on the subscription made in virtue of chaps. 386 and 396 of 1838, payable out of nett profits of canal, Exchange charged by Treasurer W. S. of Md. for conversion of paper into coin,		663,611 94 1,553,125 00 9,975 00	
56th. Debts due to contractors, For cement, supplies, materials, &c. Other unsatisfied claims may amount to		\$56,754 80 1,231 93 500 00	
On which interest may be demanded,		58,486 73 28,064 40	
6th. Certificates of debts due for repairs, &c., prior to 10th March 1845, issued by order of the Board, December 8, 1847, Balances still due on the three superintendencies, &c., prior to 1845, Balances due upon repairs and improvements, Other similar unadjusted claims may amount to,		30,367 97 12,591 34 16,505 90 4,000 00	
		86,551 13	63,465 21

7th. Balances due for lands, right of way and incidental damages adjusted,	15,809 80
Unadjusted estimated at,	15,000 00
	<hr/>
Slr. Chesapeake Bank overdrawn,	4,113 38
Interest thereon, say 7 years and 5 months,	1,830 43
	<hr/>
9th. Preferred bonds issued under and pursuant to the act of the General Assembly of Maryland, passed at its December session, 1844, ch. 281, viz:—	5,943 81
125 bonds of \$1,000 each,	125,000 00
33 " 500 each,	16,500 00
	<hr/>
	141,500 00
	<hr/>
	\$6,868,945 99

CREDIT'S.

1st. Five per cent, sterling Maryland bonds not issued to the company, to which they are entitled £475 at 70 per cent. Coupons on same at 75 per cent.	\$1,477 78 70S 37	<hr/>	\$2,186 15
2d. State of Maryland, viz: Advances made to her Commissioner in 1837 to proceed to Europe to negotiate the \$ million loan, Interest on same, say 11 years and 5 months,	S,000 00 5,480 00	<hr/>	13,480 00

STATEMENT L.—Continued.

[F]

3d. Miscellaneous, viz : Swann, Gittings & Gunton, Trustees, &c., withheld by them now in suit, Interest thereon, say 7 years and 5 months,	\$56,192 62 25,005 66 133,493 61 100,000 00	81,198 28	
Subscription to the capital stock of the company remaining unpaid, Of which may be considered uncollectable, .		33,493 61	114,691 89
4th. Tolls and rents in transitu, 5th. In the Treasury at this date, .		2,519 43 10,600 29	13,119 72
Balance deficient, .			143,477 76 6,725,468 23
			6,868,945 99

42

L. J. BRENGLE, Treasurer.

Office Ches. and Ohio Canal Co., Frederick city, June 3, 1848.

The reading of the Report having been finished ;

On motion of Mr. Marbury, it was

Resolved, That the report of the President and Directors with the accompanying papers, be referred to a committee of three, and that said committee be appointed by the chairman.

The chair accordingly named John Marbury, A. B. Davis, and Fred. A. Schley, Esq's, as a committee.

The following letters were read and laid upon the table :

A letter from John Van Lear, Jr., dated the 2nd inst. stating his reasons for not attending the annual meeting of the Stockholders, &c., &c.

A letter from Samuel W. Dewey, dated 1st inst., addressed to the stockholders, in relation to the present condition of the canal, &c., &c.

On motion, it was

Resolved, That the order in reference to the place at which the future general meetings of the stockholders of the Chesapeake and Ohio Canal company, shall be held, which was passed unanimously at the convention, held on the 24th of June 1847, be amended by striking out the words "at the Exchange Hotel."

On motion, it was

Ordered, That when this meeting adjourn, it adjourn to meet in Baltimore, on Wednesday, the 2nd day of August next.

On motion,

The meeting then adjourned.

(Signed) * SAMUEL SPRIGG, Ch'n.

W. S. RINGGOLD, Sec'y,

Barnum's Hotel, Baltimore,

WEDNESDAY, Aug. 2d, 1848.

The stockholders of the Chesapeake and Ohio Canal company convened this day, pursuant to adjournment on the 6th of June last.

Present—The State of Maryland, by Gov. *Sam'l Sprigg*. Gen. *Tench Tilghman*, *John Van Lear, Jr.*, Esq., *Wm. T. Goldsborough*, Esq., and *A. B. Davis*, Esq.

The State of Virginia, by Dr. *Richard C. Mason*.

The Corporation of Washington, by *James Adams* and *Lewis Johnson*, Esq's.

The Corporation of Georgetown, by *John Kurtz*, and *John Marbury*, Esq's.

The Corporation of Alexandria, by *Robert H. Miller*, Esq.

Sam. W. Dewey, Esq., as proxy of sundry private stockholders and *Wm. Easby*, Esq., a private stockholder, representing altogether a large majority of the stock of the company.

Gov. *Sam'l Sprigg*, took the chair, and *Walter S. Ringgold*, acted as secretary.

The Journal of Proceedings of the stockholders on the 5th and 6th of June last, was read.

Mr. Marbury, in behalf of the committee of stockholders, appointed at the last meeting, read the following

REPORT.

*To the Stockholders of the Chesapeake and Ohio Canal Company,
in General Meeting assembled:*

The committee, to whom was referred the Twentieth Annual Report of the President and Directors, with the accompanying papers, which was presented to the stockholders on the 6th of June last, respectfully report that they have carefully examined the Books and Accounts of the Company for the past year, and found them to be accurately stated, and all the disbursements duly vouched. The committee would also repeat the commendation that has heretofore been expressed in regard to the lucid and methodical manner in which the money transactions of the Company are conducted. The very limited revenues derived from the Canal in its presented unfinished state render, it is true, the ordinary yearly expenditures comparatively small; but the plan and system pursued is adapted to the most enlarged resources and disbursements. We take great pleasure in joining in the congratulations of the Board at the prospect of soon reaching the period when this condition of things will be realised.

We cannot close this report without adverting, for a moment, to the numerous and varied difficulties the Company has heretofore had to contend with—so discouraging at times as almost to paralyse all further effort for the completion of this great work. From a concurrence of circumstances peculiarly adverse, for a series of years, almost from the commencement of the work until quite recently, millions have been expended which ought to have been sufficient to have completed the work, and still it was far, very far from being finished, so far indeed, that some of its best and most judicious friends began to despair and regard the whole investment as a total loss to the stockholders. The State of Maryland, the largest stockholder, and therefore, and for many other and more important reasons, most deeply interested in the early completion of this great work, at least as far as her mineral, her coal and iron region in Allegany, had well nigh abandoned it. From year to year she refused to grant another dollar or add a further guarantee. Fortunately, however, better counsels prevailed. The true interests of the State were more closely and judiciously looked into, and it was resolved that another effort should be made, that this work, all important to the best interest of the State, should not be abandoned, but that it should go on to its completion at the earliest practicable period. Since then new energy and efficiency of operations have been put forth by the President and Directors, and the work is now progressing so rapidly, that its friends may confidently expect soon to see their

predictions fulfilled, and their calculations justified. At least such is the hope and confident belief of your committee, founded upon the present aspect of the affairs of the Company, as they have fallen under their view in the discharge of the duties assigned to them.

In conclusion, we respectfully recommend the adoption of the accompanying order, in fulfilment of the provisions of the charter:

“ORDERED, That it be and is hereby certified by the stockholders here present, that the President and Directors have rendered distinct accounts of all their proceedings during the past year, and that the same have been found to be justly and fairly stated.”

All of which is respectfully submitted by your committee,

FREDERICK A. SCHLEY,

JOHN MARBURY,

A. B. DAVIS.

Mr. Marbury also read the following supplemental report in behalf of himself and Mr. Davis, of the committee, (Mr. Schley not being present to concur in it:)

The subscribers, in the absence of Mr. Schley, ask leave to add, that while the certain prospect of the early completion of the Canal to Cumberland, presents a source of so much joy and gratulation to the stockholders, they regret to find in the Annual Report, referred to them, that the Company have not been able *practically* to carry into effect the recommendation of the stockholders at their last annual meeting, in regard to the appointment of a general superintendent for the finished portion of the Canal.

The subscribers also beg leave respectfully to repeat the recommendation of a former committee, that some modification of the tariff of tolls might be advantageously introduced, particularly on articles used as manures or meliorators of the soil. The revenues of the Canal are now derived chiefly from agricultural productions.

It is obviously the true interest of the Company, to encourage, by low tolls, the use of those articles which improve and augment the productions of the soil. The policy of the Company in this respect, has been indicated by the low, almost nominal toll placed upon the article of Plaster of Paris. Since then, other fertilizers, more striking and beneficial in their application, have, through the enterprise of the Farmers of Maryland, been brought into extensive and successful application. Lime, the ashes, bones and bone-dust, guano, poudrette, and indeed all articles used as manures or fertilizers of the soil, ought, in the estimation of the subscribers, to be placed at the lowest amount of toll consistent with the interest of the Company.

JOHN MARBURY,

A. B. DAVIS.

The reports having been read and accepted by the meeting, on

motion the following order was adopted in conformity to the recommendation of the committee:

Ordered, That it be and is hereby certified by the stockholders here present, that the President and Directors have rendered distinct accounts of all their proceedings during the past year, and that the same have been found to be justly and fairly stated.

Ordered, That 250 copies of the report of the President and Directors, with the accompanying documents, presented on the 6th of June last, and the same number of the reports of the committee, presented this day, be printed for the use of the stockholders.

True extract from the Journal of Proceedings of the stockholders of the Chesapeake and Ohio Canal Company, of the 2nd of August, 1848.

W. S RINGGOLD, *Secretary*.

The reports having been read and accepted by the meeting,

On motion,

The following order was adopted in conformity to the recommendation of the committee:

Ordered, That it be and is hereby certified by the stockholders here present, that the President and Directors have rendered distinct accounts of all their proceedings during the past year, and that the same have been found to be justly and fairly stated.

On motion of Mr. Davis, it was,

Ordered, That 250 copies of the report of the President and Directors with the accompanying documents presented on the 6th of June last, and the same number of the reports of the committee presented this day, be printed for the use of the stockholders.

On motion of Gen. Tilghman, it was,

Resolved, That a committee be appointed by the chair, to receive and examine the proxies presented.

Doctor Mason and Mr. Miller, were accordingly appointed a committee on proxies.

The committee on proxies reported that they had examined the several proxies referred to them, and recommend that the following proxies be received as valid, believing them to be duly authenticated.

The Corporation of Washington to the Mayor, James Adams and Lewis Johnson.

The Corporation of Georgetown, to John Kurtz, John Maibury and Robert Ould, Esqrs.

The Corporation of Alexandria to Robert H. Miller.

Sundry private Stockholders to Robert H. Miller,

And sundry private Stockholders to Samuel W. Dewey.

On motion, said proxies were accordingly received and ordered to be filed.

Mr. Miller presented certain resolutions dated 18th July, 1848, adopted by the Corporation of Alexandria,

Which having been read;

On motion it was,

Ordered, That said resolutions be entered upon the journal, and referred to the board of President and Directors.

Mr. Van Lear, presented a memorial dated the 17th of June, 1848, numerously signed by citizens of Washington, Georgetown and Alexandria;

Which having been read.

Mr. Dewey submitted the following resolutions :

Resolved, That the purposes expressed in the petition addressed to this meeting bearing date the 17th of June, 1848, and signed by Messrs. Francis Dodge, John W. Maury, Ulysses Ward, John C. Vowell, Fowle & Co., Cazenove & Co., and a laige number of other highly respectable parties claiming to have "a deep interest in the permanent safety and efficiency of the Chesapeake and Ohio Canal," merit the immediate and attentive consideration of this meeting, as they are well calculated to facilitate the early repairs of the canal between Dam No. 6 and its junction with the Tyber in Washington, and its completion throughout in a manner that accords with the just expectations of the projectors of said canal ; Therefore be it

Resolved, That agreeably to the request contained in said petition a special committee of five Stockholders be forthwith elected to "personally examine and enquire into the present condition of said canal between Dam No. 6 and its junction with the Tyber and report the result of their examination together with any suggestions or recommendations they may deem expedient or necessary; at such adjourned meeting hereof, as may be held not sooner than or before 30 days from this day.

And be it further resolved, That the members of said committee be authorised to fill all vacancies that may occur among them during the performance of the aforesaid duties.

Gen. Tilghman moved to strike out all after the words "merit the attentive consideration of this meeting," and insert the following ; Therefore,

Resolved, That the memorial be referred to the President and Directors with instructions to proceed forthwith to borrow a sufficient amount to place the finished portion of the canal in complete repair, from the signers to this memorial and any other person or persons, and to report the result of these negotiations to the Stockholders on the 10th day of October next.

After debate thereon, the yeas and nays were asked for, and being taken there appeared for the amendment :

The State of Maryland, by Messrs. Sprigg, Tilghman, Davis and Goldsborough.

Mr. Van Lear, dissenting.

The Corporation of Washington,

The State of Vrginia, and against the amendment.

The Corporation of Alexandria and Mr. Dewey,

So the resolution of Mr. Dewey as amended was adopted as follows :

Resolved, That the purposes expressed in the petition addressed to this meeting bearing date the 17th of June, 1848, and signed by Messrs. Francis Dodge, John W. Maury, Ulysses Ward, John C. Vowell, Fowle & Co., Cazenove & Co., and a large number of other highly respectable parties claiming to have "a deep interest in the permanent safety and efficiency of the Chesapeake and Ohio Canal," merit the immediate and attentive consideration of this meeting, Therefore,

Resolved, That the memorial be referred to the President and Directors with instructions to proceed forthwith to borrow a sufficient amount to place the finished portion of the canal in complete repair, from the signers to this memorial, or any other person or persons, and to report the result of these negotiations to the Stockholders on the 10th day of October next.

Mr. Miller offered the following resolution :

Resolved, That the President and Directors be directed to revise the tariff of tolls with a view to a general reduction of rates of tolls, and that a general reduction of $33\frac{1}{3}$ per cent, upon all leading articles be recommended to their favorable consideration.

After debate thereon, the question on the adoption of the resolution was taken by yeas and nays as follows :

Yea—The State of Maryland by Messrs. Sprigg, Tilghman and Van Lear. Messrs. Davis and Goldsborough dissenting.

The State of Virginia,—the Corporation of Washington,—the Corporation of Georgetown,—the Corporation of Alexandria and Mr. Dewey.

So the resolution was adopted.

On motion of Mr. Van Lear, it was,

Resolved, That the toll on coal from Dam No. 6 to tide water be reduced from the present rates to one mill per mile per ton, from the present time till the canal is completed; *provided*, the President and Directors of the canal, approve of such a reduction.

On motion of Mr. Marbury, it was,

Resolved, That the Stockholders do now proceed to the election of President and Directors of the company for the ensuing year, and that the chairman appoint a committee of three to receive and count the ballots.

In accordance with the aforesaid resolution, the chair appointed Gen. Tilghman, Dr. Mason and Mr. Adams.

Before proceeding to the election it was proposed that the salary of the President be fixed for the ensuing year.

Mr. Miller proposed that the salary of the President remain as at present viz : \$1000

Mr. Van Lear moved that in addition to the present salary of \$1000 that the President be allowed his necessary travelling and contingent expenses.

Mr. Miller then moved that instead of the addition of contingent expenses, the salary of the President be fixed at \$1,500 to include all such expenses.

The question being taken on Mr. Miller's motion, the same was rejected.

And on motion of Gen. Tilghman, it was,

Resolved, That the salary of the President of the Chesapeake and Ohio Canal Company be, and the same is hereby fixed at the rate of \$2,000 per annum until otherwise ordered by the Stockholders of this company—the said sum of \$2,000 to be regarded in full of all the expenses to be defrayed by the President in the prosecution of his official duties.

Mr. Davis nominated for re-election the present board of President and Directors.

The Stockholders then proceeded to the election of President and Directors and the ballots having been counted the committee appointed to superintend the election made the following

REPORT:

We, the undersigned, hereby certify that an election held this day for President and Directors of the Chesapeake and Ohio Canal company, the following gentlemen having the highest number of votes, were duly elected, viz :

James M. Coale, President; Wm. A. Bradley, Henry Daingerfield, Wm. Cost Johnson, John Pickell, George Schley, and Samuel P. Smith, Directors, until the first Monday of June next, or until others shall be elected to succeed them.

Given under our hands and seal, this second day of August, 1848.

(Signed,) _____

TENCH TILGHMAN, [SEAL.]
R. C. MASON, [SEAL.]
JAS. ADAMS, [SEAL.]

Committee.

Votes given :—

James M. Coale, President,	13,929
Wm. A. Bradley, Director,	11,921
H. Daingerfield, do	13,929
Wm. Cost Johnson, do	13,929
John Pickell, do	13,929
George Schley, do	13,929
Samuel P. Smith, do	13,929

The chair then declared that James M. Coale, was elected President, and the aforementioned gentlemen Directors of the Chesapeake and Ohio Canal Company, until the first Monday of June next or until others shall be elected to succeed them.

On motion of General Tilghman, it was unanimously,

Resolved, That the President and Directors be and they are hereby directed to pay to Walter S. Ringgold, at the rate of \$100 per annum for his services as secretary to the convention of stockholders of the Chesapeake and Ohio Canal company, to take

Stockholder, altogether representing a majority of the stock of the Company.

On motion,

Gov. SPRIGG, was called to the Chair, and WALTER S. RINGGOLD, appointed Secretary. effect from the time of his appointment as Clerk to the President and Directors.

Mr. Van Lear, offered the following resolution:

Resolved, That all future meetings of the stockholders, be held at the company's office, until otherwise ordered ;

The yeas and nays being called for, were as follows:

Yees—The State of Virginia,—the Corporation of Washington,—the Corporation of Alexandria.

Nays—the State of Maryland, by Messrs. Sprigg, Tilghman, and Goldsborough; Messrs. Davis and Van Lear, dissenting,—the Corporation of Georgetown.

So the resolution was rejected.

On motion,

The stockholders then adjourned to meet at Barnum's Hotel in Baltimore, on Tuesday, the 10th day of October next.

(Signed,) 

SAM'L SPRIGG, Chairman.

W. S. RÍNGGOLD, Sec'y.

I hereby certify that the foregoing (pages one to ten inclusive) exhibits all the proceedings of the Stockholders of the Chesapeake and Ohio Canal Company during the year 1848.

Adjournments were made from time to time, in the absence of a quorum for business, but no subsequent meeting was held during the year, 1848.

W. S. RINGGOLD, Secretary.

Office of the Chesapeake and Ohio Canal Co., }
Frederick, Dec. 30, 1848. }

JOURNAL.

Proceedings of the Stockholders of the Chesapeake and Ohio Canal Company, for the year 1849.

Barnum's Hotel, Baltimore,

MONDAY, June 4, 1849.

In conformity with the charter and the existing standing order, a meeting of the Stockholders of the Chesapeake and Ohio Canal Company convened this day at Barnum's Hotel in the city of Baltimore.

Present—The State of Maryland, by Gov. Samuel Sprigg and William T. Goldsborough, Esq.

The State of Virginia, by James L. Ransey, Esq.

The Corporation of Washington, by B. B. French, Esq.

And sundry private Stockholders.

On motion,

Gov. SAMUEL SPRIGG was called to the Chair, and WALTER S. RINGGOLD, acted as Secretary.

There being no quorum present,

On motion,

The meeting adjourned to meet at Barnum's Hotel, in the city of Baltimore, on Wednesday the 13th day of June next, at 12 o'clock, M.

Signed,

SAMUEL SPRIGG, Ch'r.

W. S. RINGGOLD, Sec'y.

Barnum's Hotel, Baltimore,

WEDNESDAY, June 13, 1849.

The Stockholders of the Chesapeake and Ohio Canal Company, convened this day, pursuant to adjournment on the 4th inst.

Present—The State of Maryland by Gov. Samuel Sprigg, A. B. Davis and William T. Goldsborough, Esqrs.

The Corporation of Washington, by Wm. W. Seaton, B. B. French and Wm. H. Winter and Wm. Early, Esq. a private

James M. Coale, Esq., President of the Company, appeared before the meeting, and read in behalf of the President and Directors, the twenty-first Annual Report of the President and Directors of the Chesapeake and Ohio Canal Company to the Stockholders; and is as follows:

REPORT:

OFFICE OF THE CHESAPEAKE AND OHIO CANAL COMPANY. }
Frederick, June 4th, 1849. }

To the Stockholders of the Chesapeake and Ohio Canal Company, in General Meeting assembled:

GENTLEMEN:—The affairs, and future prospects of the Company, which at the last annual meeting, were subjects of just congratulation, have continued materially to improve. The doubts and misgivings, that, for so long a period, pervaded the public mind in regard to the completion of the Canal to Cumberland, have given place to cheerful confidence and hope, and the time is fast approaching when this Company will afford another signal instance, of what, in the face of the most formidable difficulties, may be accomplished by resolved and steady perseverance.

In the Appendix, marked A, will be found a report from the Chief Engineer, giving a detailed account of the operations on the line under the existing contract, up to this time, and referring to other matters of interest connected with the Canal. His calculations in regard to the work are based upon the cash prices of the August 1845 estimate as being best adapted to an illustration of the views he presents. The monthly estimates, however, upon which the payments in Bonds are made by the Company pursuant to the provisions of the contract, are based upon a scale of prices, accommodated to the consideration given for the entire completion of the work, which may vary according to circumstances, provided it does not exceed, at any time, the prices of the August 1845 estimate, more than twelve and a half per cent. As the Engineer's Report therefore will doubtless be read by all who take an interest in the progress of the work, we deem it unnecessary to recapitulate its statements, and will proceed, at once, to render an account of the actual transactions of the Company, and present such views and explanations in relation thereto, as the subjects may respectively require.

The total work done under the contract to the 1st inst. amounts, according to the estimate of the Chief Engineer, made out as above mentioned, to \$656.110.—Of this amount there has been paid to the Contractors through their agents and attorneys, in Bonds of the Company issued under the Maryland act of 1844, ch: 281, pursuant to the terms of the contract, the sum of

\$620.000—leaving \$36.110 as the amount retained, by way of security or per centage, at this date. To the above amount of Bonds, paid out for work done, is to be added \$88.000 of Bonds (including the payment of this month) for the instalments of current money, paid and to be paid by the contractors or their agents to the trustee for the use of the Company; \$13.000 of Bonds for interest paid by them in July 1848, and January 1849, on the Bonds previously issued; and \$5,000 of Bonds paid by the Company to L. M. Cresap, for release of obligation to construct a Bridge, Dam, Forebay, &c., on his premises, as we shall presently explain, making the *whole amount* of Bonds issued under the Maryland act of 1844 ch. 281, and paid out to this date, \$726.000. Of this aggregate sum Bonds to the amount of \$230.000 have been endorsed with the guaranty of the State of Virginia under the provisions of the Act passed by the said State on the 8th of March 1847.

The current money paid by the contractors or their agents to the Trustee for the use of the Company, as above mentioned, consists of the instalments provided for in the contract to defray the expenses of the Engineer Corps, land claims and other expenses incidental to the completion of the Canal. At the date of our last report we stated that some of the land claims were unadjusted. The claims then alluded to have since been arranged and all placed on a common basis. Proportional payments have been made upon them at the beginning of each month, upon the receipt of the monthly instalments by the Trustee, and in a few months more they will all in this way be fully discharged. The total amount received by the Trustee to the 31st ultimo was \$84.000, and the disbursements therefrom by orders of the board and by requisitions to the same date, were \$78.781 83, leaving a balance of \$5.218 17 in his hands on the 1st inst.

Under and by virtue of one of the clauses of the contract the Board, on the recommendation of the Chief Engineer, in October last changed the plan of constructing the four Locks at or near Old Town, Nos. 68, 69, 70, 71, from cut stone to composite, the difference in cost, which is considerably in favor of the latter, to be determined by the Chief Engineer and deducted from the general consideration of the contract. The reasons for making this change were, first—because no suitable stone for Masonry Locks could be obtained conveniently, and to require the contractors to bring it from a distance would have been calculated to retard the completion; secondly—because good Composite Locks were considered far preferable to bad Masonry Locks; and, thirdly—because the change of plan would cause a considerable saving of expense to the Company. Under a provision of the same clause of the contract, the Board have caused the bridge, reservoir or basin, and forebay, on the land of Luther M. Cresap, on Section No. 334, (which the Company were required to construct by one of the conditions contained in the Inquisition of condemnation made in Dec. 1836, and which were included in the work stipulated

to be done under the contract) to be omitted by the contractors and the estimated cost thereof to be in like manner deducted from the consideration ; and they have made a contract with the said Cresap, by which, for the sum of \$5,000 paid to him in the bonds of the Company, such as are paid to the contractors, he releases the Company from the obligation to construct said works, and from all claims or supposed claims for damage he may have against the Company, &c. By the change of plan in regard to the Locks, and the omission of the works above mentioned, there will be at a moderate estimate about \$20,000 deducted from the consideration of the contract, but, as has been stated, \$5,000 of this amount have been paid in Bonds to Cresap, under the arrangement for dispensing with the works, leaving the residue as the nett saving to the Company. There are some other arrangements of a similar character in contemplation which it is thought may be made with equal advantage to the Company. They will be attended to in due season.

The general contract for the completion of the Canal has been found adapted to every contingency that has arisen, and works well in practice. The monthly payments in Bonds have been made by the Company in conformity with its provisions, with promptness and regularity. The money arrangements entered into by the contractors, or their agents and attorneys, to meet the expenses of the work, have, as we are advised, been punctually carried into effect by the parties connected with them, and judging from the past operations the consideration in Bonds, stipulated to be paid under the contract, appears to be amply sufficient for the fulfilment of the undertaking.

It only, therefore, remains with the contractors, or their agents and attorneys who have assumed the duty of carrying the contract into execution on their behalf, to press forward the work to completion, with due vigor and efficiency. We are constrained to say, that during the year 1848, the force employed on the line was not as large as was desirable, although urgent appeals were made for its increase. It is true, that for a part of the time, severe sickness prevailed among the laborers, and it was difficult to procure additional hands or even to retain those employed; but we think, that in the Spring months, and in the Fall after the frosts had produced a return of a healthy atmosphere, a larger force, than the one engaged, might reasonably have expected. Both the contractors, however, who undoubtedly have a large interest at stake, and their agents and attorneys, have uniformly expressed the opinion, that the work was progressing with sufficient rapidity to ensure the entire completion by the time indicated in the contract, and they still, with increased confidence, give that assurance, provided no unusual cause of interruption supervenes.

We are gratified in being able to say, that, within the last two months, they have afforded some evidence of their determination to fulfil their promises, in this regard. The estimate of work done in the month of April 1849, when the spring operations fairly

commenced, amounted to \$52,437 63 and in May to \$70,570 whilst in April 1848, on the same basis of estimate, it was but \$18,398 73—and in May 1848, \$25,871 12. The work done, therefore, in the months of April and May of this year, as compared with the work done in the corresponding months of the year 1848, was somewhat more than in the proportion of two and three quarters, to one. The increase, also, from April to May, of this year shows, that the spirit of progress, is still onward. We trust that it may continue to advance, so as to ensure the completion of the work by the time stipulated, and that no adverse event will occur to retard it.

As we have above stated, Messrs. Davis, Hale and Allen, the agents and attorneys of the contractors, appear to be impressed with a strong conviction of their ability, to secure the fulfilment of the contract, by the given time. In the last communication received from them, under date of the 7th ult., which though of a general character will be read with interest, they say “we have the satisfaction of expressing a strong confidence, founded on a review of the present state of the work, and of the arrangement which has been made for its prosecution, that, unless prevented by some adverse event of unusual occurrence, *the Canal will be in readiness for introducing the water and the opening of navigation from Cumberland to Dam No. 6, by the first day of October next*” A copy of the communication is in the Appendix marked B.

According to a calculation of the Chief Engineer, it appears, that, if, after the 1st inst., the work goes on to completion, at the same rate of increase over the corresponding period of last year, as the last three months exhibit, over the corresponding months of said year, the Canal will not be finished until the 10th day of December; and that extraordinary exertions will be required to complete it to Cumberland by the day named. As the gentlemen, above mentioned, have great experience in undertakings of this character, and are fully informed in regard to the amount of work yet to be done, to verify their statement above quoted, we are authorised to conclude, that they have made the necessary arrangements to augment the force employed, in a degree corresponding with the labor to be performed, by the time specified. The total working force, between Dam No. 6 and Cumberland, on the 25th ultimo, consisted of 1447 laborers and mechanics, and 594 horses, mules and oxen; and to facilitate the transportation of stone, from the quarries to the various structures of masonry, several Railroads having an aggregate length of about nine miles, have recently been constructed.

From the aforesaid review, it will be perceived, that, unless retarded by the intervention of some unusual calamity, the early completion of the Canal may now be considered as reduced to a moral certainty. A new era will commence upon the opening of the navigation to Cumberland, and the course of the Company hitherto so beset with difficulties, will then be comparatively smooth.

and easy.—Under the guidance of judicious and steady counsels, we think it cannot fail to be, also—successful and prosperous.

The resolutions, passed by your Honorable Body at the Stockholders' meeting in August last, recommending to the favorable consideration of the Board "a general reduction of 33 1-3 per cent in the rates of toll on all leading articles," and a temporary reduction of the toll on coal, "to one mill per ton per mile until the Canal is completed" were, soon after their passage, considered with the respect due to the high source from which they emanated, and, after mature deliberation, the Board came to the conclusion that the reductions proposed were inexpedient, and they were accordingly not made.

The Board would very naturally have been disposed to defer to the opinions of the Stockholders, on a question of this description, if, to their minds, the effect that would be produced by the adoption of the recommendation was merely of a doubtful character, or if the experiment could have been ventured on without the hazard of serious embarrassment to the Company. But, having carefully considered the subject, not only since the passage of the resolutions, but previously, they were thoroughly impressed with the belief that a general reduction of toll in the present condition of the Canal would produce a diminution of revenue, and as the revenues are the only means by which the company is sustained, and are now barely sufficient to keep up the navigation under the most favorable circumstances, they felt constrained to pursue the course above indicated. They now deem it their duty to present concisely the reasons and considerations by which they were influenced.

The subject of the reduction of toll on the Canal was considered at some length in a communication made to the Governor of Maryland in December 1845, and again in the 18th Annual Report of this Company, as may be seen by reference thereto, in reply to an allegation contained in the 19th Annual Report of the Baltimore & Ohio Rail Road Company, wherein it was asserted, that the rates for the transportation of flour on the Canal were "so low as not to afford a remunerating revenue." The allegation was examined, and refuted, and the Board, after contrasting the rate of toll charged by this Company with that charged on the Canals of New York and Pennsylvania, explained the reasons, why, in their opinion, the northern policy was, under existing circumstances, inapplicable to our work. The communication, containing these views, was, through the medium of the Executive, submitted to the Legislature of Maryland at the December session 1845, and so far as we are advised, they received at the time the general approval of the authorities of both the Company and the State.

We have seen nothing since that time to shake our confidence in their correctness, but, on the contrary, from all the information we have been able to gather on the subject, we are satisfied that the policy therein indicated is the one best calculated to subserve the interests of this Company.

When a Canal penetrates into a region where there is a saleable

commodity that depends upon the cost of transportation whether it is carried to market or not, in such case, the obvious policy is, to place the toll so low, as to make it, a matter of interest to the owners, to produce it, and send it to market. Under such circumstances, low toll creates and builds up a trade, and low toll is consequently wise and expedient.

So, also, where a rival work passes through the same region of country as a Canal, if the cost of transportation, on the rival improvement, is so low, as to draw thereby trade which reasonably ought to pass by the Canal, it becomes politic and necessary for the latter to reduce its toll so as to retain its trade.

Or where a Canal is so situated that by a reduction of toll its trade can be permanently so much augmented as to cause an increase of revenue, in such instance, unless there be special circumstances to render it inexpedient, the lowest toll that such a result would require, should be adopted, for where water is abundant, it costs a Canal Company no more to pass down one thousand tons, than one hundred tons.

But the Chesapeake and Ohio Canal is, at present, in neither of the above predicaments.

The first position may apply to the Canal and the Coal of the Allegany mines, after the work is finished to Cumberland, and in that view some action has already been taken on the subject as will presently be shown; but it has no application to the Canal with its terminus at Dam No. 6. Up to that point the sources of trade are all fully developed. The leading and most important articles at present transported, and a reduction in the toll of which would most affect the revenue, are of a class that were produced and taken to the markets of the seaboard, before a spade was stuck into the site of the Canal, or the Rail Road was dreamed of; and they would still be taken to market, if these improvements were both blotted from the map. They consist of flour and wheat, from the toll on which, a large part of our annual revenue, is derived. The quantity of these articles, raised and manufactured in all that tract of country convenient to the Canal so far as it has been finished, may now be pushed to the utmost extent of productive husbandry under the existing rates of toll, which enable the producer, who avails of the facilities of the Canal, to carry them to market at a cost far less than is paid by thriving agriculturists in other parts of the State considerably nearer to the seaboard, and there is no reasonable ground to suppose, that, if the toll on these articles were reduced, in even a greater ratio than the one suggested, the amount of production could thereby be sensibly increased. Passing therefore from this position we will confine our remarks to the two others.

As the Stockholders are aware, the amount paid for transportation, is divided between the company, and the carrier, or boatman. The company receives the sum it demands by way of toll for the privilege of carrying the tonnage of the canal—the boat-

man the sum he charges for conveying it to its destination. The charge for toll is made exclusively by the company, and is at a fixed rate. The charge for conveyance, or freight, as it is usually termed in contradistinction to toll, is a mere matter of contract between the boatman and his employer, and may vary according to circumstances. With a view, therefore, of acting understandingly in regard to the present cost of transportation on the canal, including toll and freight, and of determining whether any state of things now existed which would authorise, or call for a departure from the prevailing policy, it became necessary for the Board, in considering the matters commended to their attention by the resolutions of the stockholders, to ascertain the rates of the boatman's charge, and the comparative cost of transportation, by the canal and by the rail road, from those points where the two improvements come in contact. The necessary enquiries and investigations were accordingly made, principally through the medium of the superintendants of the second and third divisions, who are both intelligent officers and whose line of duty embraces all those parts of the canal which can be affected by competition, and the result showed, that, from the points of approximation on the second division the total cost of transporting tonnage, by the canal to the District market, is at least *twenty five per cent.* less than the cost of carrying it by the rail road to Baltimore; and that there was no reasonable ground to expect, from the evidence furnished in regard to both divisions, that the receipts of the company could be increased by a general reduction of the rates of toll on the leading articles, but, on the contrary, that such a measure would certainly produce a diminution in the revenues, particularly during the first year of its operation, when the company would be at least able to bear any subtraction from its ordinary means and resources. For these reasons, and from all the reflection the board were able to give to the subject they were satisfied that a general reduction on the leading articles transported on the canal was inexpedient—that the difference in the cost of transportation between the canal and the Baltimore and Ohio Rail Road, which is its only apparent competitor, was already sufficiently great to attract to the canal, all the trade which superior facilities and greater cheapness of transportation alone might legitimately and justly command, and that a reduction of charge on the part of this company, would most probably have compelled a similar proceeding on the part of the rail road company to retain its present trade at whatever sacrifice, and have led to a struggle between the two companies, which, in its effects and consequences, would have proved seriously injurious to the interests of both. Before quitting this subject, and with a view of illustrating the observations we have made, we beg leave respectfully to refer to the experience of the Schuylkill Navigation company whose improvement for many reasons bears a stronger analogy to the Chesapeake and Ohio Canal than any other work of which we have knowledge. The subject of arranging a Tariff of toll occupied

the attention of that company for several years and frequent changes were made with a view of ascertaining the rates that would bring the most revenue. In 1838 and 1839, the toll exacted by them on miscellaneous freight of the highest class was ten mills per thousand lbs. per mile, or two cent per ton of 2,000 lbs. per mile. At that time a system of reductions commenced and under a competition with the Reading Rail Road which proved ruinous to both companies was kept up until the year 1847; and at every reduction the revenue was in like manner diminished. In a report of a committee on tolls to whom the subject was referred by the Board of Managers of that company in August 1847, it is stated that "the experience of the last eight years establishes the truth that the tolls during that period (the highest rates on miscellaneous freight other than coal, varying from 16 mills to 8 mills per ton of 2000 lbs. per mile) have always been too low for revenue—since, whenever they were reduced the revenue was reduced; when the tolls remained stationary, the revenue remained stationary; and when the tolls were raised, the revenue was increased. But a singular fact, connected with the history of the company's experience, is, that during the latter part of this time, while the toll was reduced from year to year, the trade was gradually increasing; and yet, notwithstanding the increase of business, the revenue fell off—*the increase of trade being more than neutralized by the reduction of the charges.*" With all due respect to this committee, we can perceive nothing singular in the fact, thus stated, unless it were also shewn that the business was increased, in a greater ratio, than the reduction of the toll. Otherwise, the consequence alledged was inevitable; and it was to avoid a similar consequence in regard to the revenues of this company, that the board refrained from making the reduction suggested. They indulge the hope that the stockholders will approve the course they have adopted in this regard.

The board have also thought it unadvisable to make the temporary reduction of toll on coal "to one mill per ton per mile." The stockholders in making the suggestion, were probably influenced by a desire to attract coal from the rail road to the canal at Dam No. 6, for the purpose of encouraging and of giving direction to trade by the time the work is completed; but such object was considered as scarcely attainable by the adoption of the measure. It will be remembered that an arrangement with that view, on terms that were apparently mutually satisfactory was entered into between the two companies in 1843, and that very soon after the trade had fairly commenced, the arrangement was abandoned by the rail road company, and the charge for the transportation of coal from Cumberland to that point, raised by them to four cents per ton per mile, or \$1.80 cents for the forty-five miles, which amounted to a flat prohibition. Such was the charge, (although as we understand since reduced one half) which was maintained by the rail road company, on that part of their road, when, in September last, the board took action on the subject, whilst, as we are informed, they carry the article in such limited quantities as may

suit their convenience, from Cumberland to Harper's Ferry, a distance of 96 miles, where it also may be transferred to the canal seventy-four miles nearer to the market by the line of the canal, for \$1 70 per ton, or about one and three quarter cents per ton per mile. As however the quantity of coal, that may be introduced upon the canal from the rail road, either at Harper's ferry, or any other point, is entirely dependant upon the pleasure of the rail road company, it is not at all likely that it could be increased by any reduction that might be made by this company, in the charge for toll. On the contrary, a very large and marked reduction, in the toll on coal by this company, would most probably produce a countervailing measure on the part of the rail road company, that would destroy the little trade that is now carried on in that article by the connexion alluded to. The whole amount of coal that passed from the rail road to the canal at Harper's ferry, and was thence boated to Georgetown, during the year 1848, was 2033 1-4 tons. In addition to this there were 1250 3-4 tons, brought from Cumberland to Dam No. 6, by the channel of the river during the seasons of high water, and there introduced into the canal, making the total amount of Bituminous coal transported on the canal during the year, 3284 tons. The avidity with which parties engaged in the coal trade already seize upon every available opportunity of getting the article placed on the canal, is sufficient evidence of the preference given to it as a mode of conveyance, and affords a gratifying earnest of the magnitude to which the trade will soon extend, after the canal is finished and brought into immediate connexion with the facilities provided by those who are engaged in the business, for conveying the produce of their mines to the basin at Cumberland.

The Board are sensible of the expediency of making a general revision of the Tariff of Tolls, with a view to the opening of the navigation to Cumberland, and, if practicable, of adopting a more rational system of charges than that which has hitherto prevailed. This duty, subject to the sanction and approval of the Maryland State Agents, will engage their attention during the ensuing summer. The old custom, supposed to have been derived from a literal adherence to the language of the charters, of charging a fixed rate per ton per mile, without reference to the distance or other circumstances, has long since been abandoned on some of the best conducted works in this country, and it will be a subject for consideration, whether the new theories may not be adopted by this company, and applied to the Chesapeake and Ohio Canal, when it is finished. There are few things more difficult than the proper arrangement and adjustment of a tariff of tolls, and none can more immediately affect a company's interests. When the subject therefore is taken up, it will be considered with the care due to its importance, and all the information, which the experience of other works can afford, will be availed of. In the mean time the board have made some changes in the tariff which they deemed it politic to make at this time. By raising the toll on plaster from

one mill per ton per mile, and diminishing it on other articles used as fertilizers of the soil, they have fixed the rates of all manures at two and a half mills per ton per mile; and they have also, with the approval of the Maryland State Agents, until otherwise ordered, established the rate of toll on coal, at half a cent per ton per mile for the first twenty miles, and four mills, per ton, per mile, for each additional mile it may be carried, instead of half a cent per ton per mile, for any distance as heretofore. The board conceived that in the present condition of the finished portion of the canal below Dam No. 6, and its inability to sustain the uniform depth of water required for boats of the capacity to which its dimensions are adapted, and, upon which, all former estimates of the cost of transporting coal have been based, such a reduction was called for by the interests of the company, and might be wisely and beneficially made. At the time this change took place, the company was without means to put the canal in suitable condition for the coal trade, and there was but little prospect of obtaining adequate means for the purpose otherwise than from the accruing revenues, after the work should be finished. There is now a hope that the thorough repair of the canal may not be postponed so long as was then apprehended. So soon as this desirable object is accomplished, we believe that the former toll on coal may be safely and profitably restored. The primary consideration, however, must be, to afford sufficient encouragement to the parties engaged in the trade to introduce the Cumberland coal thoroughly and speedily into the Atlantic markets, and the rates of toll which will best accomplish this object, and produce the largest revenue, is the just medium to be adopted. Experience is probably the only guide by which this point can be accurately arrived at, but, in the absence of its lights, we think the present rate of toll best suited to present circumstances, and that after the necessary repairs and improvements shall have been made, the toll may be raised to at least the former rate, as we have before remarked.

Signs of preparation for the opening trade in coal are already manifesting themselves. Capitalists are turning their eyes to Allegany county with augmented interest. The several coal and iron companies are increasing their facilities for connecting with the basin of the canal;—yards for building boats are being established at Cumberland and other places; and, thus far in advance of the opening of the navigation, one individual has actually entered into a contract for the transportation of 225,000 tons of coal on the canal during the first three years after the work shall be completed. And whilst these preparations are going on, for the prompt commencement of the trade, we, on the other hand, hear from a quarter where a portion of the limited quantity now furnished to the Atlantic markets, is carried, repeated calls for a fuller supply. A New York paper, of recent date in commenting upon the arrival at Philadelphia of a quantity of bituminous coal from England, says, "the Cumberland coal is the best fuel for steam-boats ever discovered, and our ocean steamers cannot get along with-

out it. The Cunard boats, the Bremen line, and the steamers engaged in the Charleston, Savannah, New Orleans, Chagres and California trade have used it, and found it superior to all others. It is therefore highly important that measures should be immediately adopted to keep the market fully supplied." With these indications before us, we have every reason to anticipate an early and a very large and active coal trade on the canal after its completion.

In the appendix marked C, D, E, F, G, &c., will be found the usual annual statements of the clerk and treasurer.

During the last year, the canal has very fortunately been exempt from those casualties from high water, or river overflows, which, in former years, have caused so much injury to its bed and embankments, and entailed upon the company the heavy extra expenses, which, in its present condition, it has been so illly able to provide for. Although there have been high, and destructive floods, to the north, and the west of us, there has been no rise in the Potomac of sufficient magnitude to produce serious damage to the canal. The rains, though frequent, have generally been gentle and diffusive, and the winter snows melted so gradually, as to pass away, in the natural channel of the river. Only one breach of any consequence occurred during the year, and this, having been on the upper part of the line, did not cause any interruption to the navigation below Dam No. 5, nor sensibly affect our trade. The result has been a small increase in the receipts of toll over any former year, under the existing tariff. The amount of toll, accrued during the year, was, \$54,146 21, which is \$1,705 86 more than the receipts of 1847. There were transported on the canal in 1848, 217,112 barrels of flour, which exceeds the quantity carried down in 1847, by 40,332 barrels. The aggregate articles carried on the canal in 1847 according to the calculation of the clerk was equivalent to 71,440 tons—in 1848 it was 86,436 tons. Increase in favor of 1848—14,996 tons. The increase in the revenue, was not in a corresponding ratio with that of the tonnage, in consequence of the average distance of the transportation of the latter, being less in 1848 than in 1847. The larger portion of the increase of tonnage, also, consisted of articles, on which small rates of toll are charged. The total revenue, accrued to the company during the year ending 31st December last, was \$57,366 13, it being the amount of tolls, received as above mentioned, and \$3,219 92 from water rents and other incidental sources. But the small increase in the revenue, though gratifying as manifesting an onward progress in the ordinary way trade, is of little moment, in comparison with the benefit of exemption from *extraordinary* expenses for repair of breaches, which, in previous years, have been so heavy a tax upon the limited means and resources of the company. The relief from such expenses during the year has enabled the company to make several important repairs, which have long been needed, and has also permitted the superintendents to give more than usual attention to the strengthening of the embank-

ments, and the maintenance of the navigation. Much has been done in securing the foundations and materially repairing the following Culverts, viz: The Cabin John and Rock Run Culverts below Seneca, a Culvert of 12 feet span on the 29th mile which has been nearly three quarters rebuilt; one of four feet span upon the 34th mile—one of ten feet span on the 51st mile, and one of 16 feet span (the Little Catoctin) on the 53d mile—in finishing the repairs of breaches which occurred in 1847—in renewing Lock Gates, making temporary wastes, and in commencing the work necessary to be done when adequate means are obtained, to make the canal secure at Dam No. 4. The most extensive repair however, made during the year, has been that of the Dam and Waste Weir at the mouth of Rock Creek, which were in a very insecure state at the beginning of the year, but are now in thorough and complete order. In consequence of these numerous repairs, the expenses of the year exceeded the revenue by the sum of \$12,301 37, which will be paid out of the receipts of this year. They were, however, incurred for highly beneficial purposes, and will make good return in the additional security that has been given to the navigation of the canal.

In November last, the president, and several of the directors, accompanied by the chief engineer, and other officers, made a tour of examination up the line of the canal, carefully inspecting the works, from Georgetown to Hancock. They found the canal in good navigable condition, for the present trade, and were gratified at the repairs made during the year with the limited means at command, a part of which were then in progress. But the principal object they had in view was information, by personal observation, in regard to the extent of repair and improvement that would be required to make the embankments secure against the inundations of the river and to put the finished portion of the canal in a suitable condition for the accommodation of the coal trade upon the opening of the navigation to Cumberland.

This subject has long occupied the attention of the Board, and in several of the annual reports it has been adverted to with expressions of regret at the inability of the company to command the requisite means for the purpose. At the meeting in August last the Stockholders also took the matter into consideration, and passed a resolution strongly urging the expediency of a thorough repair of the work between Georgetown and Dam No. 6, and instructing the board to borrow the requisite amount of money to accomplish the object.

With every disposition to carry into effect the wishes of the Stockholders, in this regard, the board found, as indeed they knew from previous experience, that in the then existing circumstances the procurement of the required means, in any form was a matter of much difficulty. After satisfying themselves, however, that there was but little or no prospect of obtaining funds for the purpose from private sources, they concluded to make application to the State of Virginia for a *loan* to such amount as might be necessary, which,

according to a proximate estimate of the chief engineer, it was believed would be about \$20,0000. They accordingly prepared and presented a memorial to the Legislature of that State during its last session soliciting the aid alluded to. A copy of the memorial will be found in the appendix marked H, and a reference to it will supercede the necessity of our dwelling in this place on its purposes and objects which it fully explains. It will be perceived that the memorial asks for a loan from the State. This is the form in which the Company preferred to receive assistance. It would then have been immediately available, and would moreover have obviated the necessity for a new issue of bonds, which it was desirable to avoid if practicable. Instead, however, of granting the aid in the form solicited, the Legislature of Virginia, in March last, passed an act authorizing and directing the Treasurer of said State to underwrite or endorse the guarantee of the State to Bonds to be issued by this Company pursuant to said act, to an amount not exceeding \$200,000—the bonds to bear interest at the rate of six per cent. per annum payable semi-annually, and the principal to be payable not later than the first of January, 1870. By express provision the proceeds of the Bonds are to be applied only to the repair and improvement of the canal below Dam No. 6. The guaranty pledges the faith of the State for the punctual payment of both the principal, and the interest of the bonds, according to the terms thereof. For a copy of the Act see appendix I. The clauses of the act above explained are, however, as will be seen by examination of it, made dependant upon numerous conditions, in consequence of some of which, the Company have not yet been able to render it effectual. It has been, from an early day, one of the peculiar misfortunes of this company, that, when Legislative aid has been extended to it in its emergencies, the act bestowing it has been clogged with conditions, so as to retard its availability—detract from its efficacy—or in some instances to render it even of no avail. Many of the most serious embarrassments which the company has had to encounter, have arisen from this cause. In the present instance, although there are still difficulties in the way, we hope that the assistance intended to be afforded by the State of Virginia may be realized. The board are willing to comply with all the conditions, so far as they may be able to do so upon terms that are just and within the scope of their authority, with the exception of that relating to the construction of a lock opposite to the county of Berkley, prior to the year 1852. The board cannot believe that this company will have funds that may, properly and legitimately, be applied to a work of such a character by the time indicated, the cost of which the chief engineer estimates at from \$30 to \$36,000, according to the site that may be selected for its location. They also think that the lock is unnecessary, and that the facilities already afforded for the passage of boats into and out of the canal opposite that county, are amply sufficient for the accommodation of its trade.

When the State of Virginia subscribed for the \$250,000 of capital Stock it holds in the company, one of the conditions of the act, passed 20th February, 1833, stipulated that the company should construct various locks "to enable the river boats to reach the canal," and among others, one "at or near the ferry across the Potomac at Leight's, or at the mouth of the Opecon in the county of Berkley, by the first of November, 1835. In the fifth annual report made in June, 1833, whilst Mr. Mercer was president of the company, it is stated, on page 4, that "a determination has been more recently formed by the Board to transfer the locks which were about to be commenced two miles above, to a point two miles below the mouth of the Opecon, so as to subserve the connexion" of the River with the canal navigation. Again on page 6—"The transfer of the locks from a point above to one about the same distance below the mouth of Opecon, will also favor the contemplated navigation from that stream, whenever the canal, along the base of the cliffs, shall be completed, by exposing the boats, which descend from its mouth, to a shorter voyage on the broad bed of the river, in conformity, as has been suggested, with one of the conditions of the late Virginia subscription, which the board duly regarded." The locks were accordingly so constructed; and the county of Berkley at present enjoys every reasonable facility of access to the canal. There is a guard lock above Dam No. 4 on the 85th mile, and one above Dam No. 5 on the 108th mile of the canal, and the Pools of these two Dams give to Berkley county, whose whole extent on the river is but about 32 miles, a front of 16 miles of good Slackwater navigation conducting to said locks.

For the reasons above stated, the board have felt it their duty to object to a compliance with the condition alluded to, and, if practicable, to obtain a release therefrom from the Board of Public Works, who, it is presumed are authorised to grant the same by a subsequent clause of the act. So soon, therefore, as the other difficulties at present existing are removed, and the commissioners of Berkley county, who have been appointed to locate the lock, and have recently made their examination for such purpose, shall have submitted their report to their county court, and the necessary action has been had thereon, the reference will be made, and the whole subject, in the best form it can be placed, will be presented to the consideration of the Board of Public Works of Virginia, with a view of obtaining their decision upon all the conditions of the law. We have reason to think, as we have before intimated, that the act will be made effectual, but the difficulties that have been thrown in our way under and by reason of the conditions, and the consequent delay, are greatly to be regretted. They have in fact detracted much from the importance of the law by causing the company to lose the most favorable portion of the current year for the prosecution of the contemplated repairs.

The Court of Appeals of Maryland, in the important decision

pronounced in the case between this company and the Baltimore and Ohio Rail Road Company in 1832, clearly defined the respective rights of the two companies in regard to the occupation of the Valley of the Potomac, and decided, that an unqualified and unrestricted *priority* in the choice of a route was vested in this company; and that "the Baltimore and Ohio Rail Road company, could not without its assent, occupy any of the difficult passes, or other places, along the river, for the route or site of their road, in such a manner as either to exclude it from a priority in the choice of a site or sites for the construction of its works, or in any manner, restrict or circumscribe it in the exercise of its prior right of election."

In view of this adjudication by the court of highest resort in the State, the Baltimore and Ohio Rail Road company, found it necessary to make application to this company for the purpose of obtaining from it such action as would enable them to proceed, when, during the past year, they determined to prosecute the extension of their road westwardly.

Three routes were proposed by the rail road company, each having a different point of departure from their present road, but two of them uniting, in or near the western limits of Cumberland, and the third at Fort Hill, on the Maryland side of the North Branch, about thirteen miles beyond Cumberland. The first, or lower line, as it was called, diverged from the road as now constructed about 2600 feet east of their Depot at Cumberland, skirted and passed over the Canal Basin at that place, crossed Wills creek at the mouth, and thence pursued the Maryland Bank of the river to Fort Hill. The second line extended from the present terminus at Cumberland, about 2000 feet on the Mount Savage road, then deflecting to the left through the town, it passed, by a viaduct over Wills creek, and by a tunnel through Academy Hill, and thence with the first mentioned line, up to the North Branch of the Potomac. The third, or Knobly route, departed from the present road near Patterson's Creek Viaduct about eight miles East of Cumberland; thence by a designated route to, and across the North Branch, and up the said river to a junction with the other lines at the northern termination of Fort Hill. From Fort Hill, westwardly to the mouth of Savage river, but one route was in view, passing along the Maryland side of the North Branch of the Potomac.

The objections on the part of this company to the first line indicated, on account of its encroachment upon, and interference with the basin of the canal at Cumberland, were obvious and insuperable, and for this reason, as well as for others of weight with the rail road company, it was soon abandoned, and their choice confined to the other two routes above described. The adoption of either of these two, equally called for some precedent action on the part of this company, and without such action, or an acquiescence equivalent to consent, it is believed that the rail road company could not have proceeded with the construction

of their road, in the manner proposed, except at the peril of having it broken up and removed whenever hereafter this company might see fit to assert its prior claim to the land along the valley of the Potomac which it occupied. It is true, that, by the line indicated as the Knobly route, the road diverging and passing through a mountainous district in Virginia, would, for some distance, have given a wide berth to any practicable site for the canal in any form of improvement that might have been adopted by this company, but very different would have been the case so soon as it reached the valley of the North Branch, and united with the common line at Fort Hill. From that point westwardly its contemplated route was just as much dependant upon the action of this company as either of the other two, as it was identically the same. Under these circumstances then, was it, that the Baltimore and Ohio Rail Road Company, during the last fall, approached this company for the purpose of ascertaining its views in regard to the prosecution of their road westwardly, by one of the routes above designated. In every aspect in which it presented itself, the subject was one of grave importance, and this board, oblivious of all past differences between the two companies, gave to it the calm and deliberate consideration it deserved. They fully appreciated the importance which was attached to the completion of the rail road to the Ohio in its bearing upon the interests of the State, and the prosperity of the city of Baltimore. They were well aware of the solicitude prevailing upon the subject on the part of the people of Maryland generally, who hold a large common interest in both works, and they therefore felt it a duty, as well as a pleasure, to interpose no unnecessary obstacles to the progress of the road, but to extend to it every facility compatible with the prior rights of this company, and the interests committed to their charge. With these feelings, when the wishes of the rail road company were communicated to them, the board caused an examination of the *locale* to be made by the chief engineer of this company, for the purpose of ascertaining, whether there was room enough for the extension of the works of both companies up the valleys of the North Branch and Wills Creek, or in other words whether the rail road and its works, by either of the two routes suggested, could be so located, as to avoid an interference with the site for the improvements of this company, in the future extension of its works beyond Cumberland and with the construction of Railways to connect the coal regions therewith, and with the canal basin at Cumberland, all of which matters were regarded as involved in the question, and proper to be provided for, in any arrangement that might be entered into. Upon making the examination, the chief engineer came to the conclusion, that, at certain places, the line surveyed by the rail road company, and the plan of its works, intrenched upon the sites that would hereafter be required for the future improvements of this company as above mentioned, and would interfere with the connexion of the rail-

ways therewith; but that with some slight additional expense to that company, their line and plan of works, at these points, might be so modified and changed, as to place them sufficiently out of the way to remove the objection. Upon this report, and after due consideration of the subject, the board made known to the rail road company, that, in their opinion, no difficulties existed in regard to the Knobly and upper route through Cumberland, that might not be obviated by a satisfactory arrangement between the two companies, and desired the rail road company to designate their choice between the two routes in question, in order that the necessary steps might be taken, to bring the subject to a close. After a correspondence of some length and several interviews, between the presidents of the two companies, a communication was, on the 7th day of February last, received from the president of the rail road company, indicating the upper route through Cumberland as the choice of said company, and setting forth the kind of action that was desired from this board to enable them to proceed with their work. In accordance with the views and feelings uniformly expressed on their part, the board on the following day, being then in session, took up the subject for consideration, and passed the resolutions, which will be found in the appendix, marked K. A copy of them was soon after made out and transmitted to the president of the rail road company, and they proved entirely satisfactory.

It will be observed, that the arrangement extends only to the mouth of Savage River. Whether the route proposed for the rail road, west of that point, will interfere with the future location of the works of this company should they be prosecuted to the Ohio according to their original design, is a question that has not been presented to our consideration, nor examined.

By reference to the resolutions it will be perceived, that the board have agreed to cause, at this time, a survey and location of the improvement intended at some future, though probably not remote period, to be made by this company, up the North Branch of the Potomac to the point indicated, with a view of designating the site thereof, so that it may not be intrenched upon or prejudiced by the works of the rail road company. The cost of this location will be very inconsiderable, when viewed in connexion with the magnitude of the interests involved, as it was probably the only practicable middle course that could be pursued, between arresting the further progress of the rail road by either of the routes proposed, and a surrender of the rights of this company. But independently of this consideration the advantage of having the survey, and an estimate of the cost of the work, which will also be made out, will more than compensate for the trouble and expense.

The plan contemplated is a mixed improvement of Slack water and short canals, similar to the Schuylkill navigation. This is not only the cheapest that could be adopted, but it is considered by our chief engineer, as admirably adapted to the North Branch,

between Cumberland and the mouth of Savage; and it is, moreover, perhaps the only plan, by which sufficient room could be afforded to the rail road company, at certain difficult points, to pass with their road. Although a subject of frequent enquiry, no survey or estimate for such an improvement has ever yet been made by this company. The locations were commenced as early in the spring as the weather and state of the river would permit, and they have been, since, steadily progressing, under the immediate superintendence of the chief engineer. The particularity required for accuracy in the estimates, has caused the survey to advance more slowly than, under the circumstances, was otherwise desirable; but the privilege allowed to the rail road company to proceed at once with the prosecution of their works in all those parts of their line where no collision is apprehended, has rendered it unnecessary for them to wait until our locations were completed, and they have accordingly, as we learn, already entered into contracts for the construction of their road in those places. If the application to this company had been made earlier, or anterior to the original locations of the rail road company, the surveys of the two companies might have gone on simultaneously, and been completed at a time perhaps more satisfactory to both. As this, however, was not done, we have endeavored to obviate the delay to the rail road company, which the omission would otherwise have produced, by conceding to them the privilege to which we have adverted.

From the report and calculations of the examining engineers of the Baltimore and Ohio rail road company, made in June and September, 1848, and from the communication submitted by the president of the company to his board of directors on the 4th of December last, the opinion may be gathered, that it is the purpose of that company, to use, to some extent, the new portion of their road, when it is constructed to the mouth of Savage River, as a feeder to the canal, in regard to the coal trade from the great deposits of the North Branch. Such a policy would be promotive of the interests of both companies, and greatly facilitate the opening of the Southern section of the coal fields of Allegany. The rail road, from the mouth of Savage to Cumberland, will have a descending grade and may carry at the lowest rail road cost, and at that point a connexion may be made with the basin of the canal, at the expense of but a few feet of trussel work or road. In this view of the subject, it is a matter of no small interest either to the rail road or canal company, that the upper line through Cumberland was adopted instead of the Knobly route, in as much as by the latter route, the new road would have joined the main steam on the opposite side of the river from the canal, and could not have reached it *at that point*, except by the construction of a costly viaduct. Should the Baltimore and Ohio Rail Road Company hereafter pursue the policy to which we have above alluded, it will, in our opinion, be an indication of the

prevalence in that regard of better counsels than heretofore, and be calculated to cement, more strongly, the friendly feelings, which, we are pleased to say, now so happily exist between the two companies.

By order of the board,

JAMES M. COALE,

President of the Chesapeake and Ohio Canal Company.

APPENDIX.

(A.)

CHIEF ENGINEER'S OFFICE OF CHESAPEAKE & OHIO CANAL,
Cumberland, 2nd June, 1849.

*To the President and Directors of the Chesapeake and Ohio
Canal Company:*

GENTLEMEN:—I beg leave to submit the following report. It is mainly in relation to the progress that has been made and is now making by Messrs. Hunter & Co., in the execution of their contract for the completion of the canal to Cumberland, and the probable time when the navigation will be opened to that place.

In August, 1845,—a few months previous to the time when the contract was entered into,—I estimated that the completion of the canal, including full allowances for contingencies in the estimates of those works upon which it was thought they would be likely to occur, would cost, at *cash* prices, \$1,221,279. To this amount I added, in the estimate referred to, a large sum for contingencies that might possibly occur beyond those provided for in the estimates of the separate works. This latter allowance for contingencies, for reasons to be given in a subsequent part of this report, I exclude altogether from consideration in the statement I am about to present.

Estimating at the same prices, (those of the “August 1845 estimate,”) there had been done on the 1st inst., (June,) work amounting as follows, viz:—

Prior to the 1st of December, 1847,		\$61,417
In December, 1847,	\$1,485 19	
“ January, 1848,	5,897 22	{ 16,128
“ February, “	8,745 45	
In March, 1848,	10,607 22	
“ April, “	16,354 43	{ 52,833
“ May, “	25,871 12	
In June, 1848,	28,388 78	
“ July, “	41,415 42	{ 112,320
“ August, “	43,516 14	
In September, 1848,	38,953 60	
“ October, “	45,873 10	{ 127,225
“ November, “	42,398 79	

In December, 1848,	\$29,808 58	}
" January, 1849,	17,416 83	
" February, "	27,946 31	}
In March, "	28,773 64	
" April, "	46,611 22	}
" May, "	62,729 09	

Total, - - - - - \$583,209

This sum deducted from \$1,221,279, leaves \$638,070, for the amount of work, at the prices of the "August 1845 estimate," that remained to be done on the 1st of June, 1849.

The above statement shows that the work done in the three months just ended, (March, April and May,) exceeds that done in the corresponding months of last year, in a ratio a little exceeding one to two and six-tenths. Assume that, from the 1st of this month, the canal will go on to completion at a rate of progress correspondingly greater than it did last year, and we arrive at the following result.

The work done in the months of June to December inclusive, in 1848,—amounted to \$269,354,—multiply this sum by two and six-tenths, and we have \$700,320 as the amount of work that would be done, at the assumed rate of progress, from the 1st inst. to the 1st of January next—which exceeds, by \$62,250, the amount that remained to be done on the 1st inst. This would complete the canal by about the 10th of next December.

From the favorable condition in which the work now is, for being rapidly prosecuted, and the arrangements recently made and now making to press it, energetically, through to completion, I have reason to think it may be safely assumed that the rate of progress above stated will not be diminished,—(it certainly ought not, and need not to be,)—unless unusual, unforeseen and not now anticipated difficulties should occur to retard and interrupt the work. It would require *very* great and *very* extraordinary exertions, and without the intervention of any unfavorable circumstances, to effect the completion of the canal by the time stipulated therefor, in the contract.

There were employed upon the work on the 25th ult. (May,) 77 bosses; 39 blacksmiths; 54 carpenters; 75 drillers and blasters; 107 quarry-men; 59 stonecutters; 73 masons; 112 mason's tenders; 6 brick-moulders; 50 others engaged in making bricks; 16 brick-layers; 19 brick-layer's tenders; and 760 laborers. Total number of all classes of laborers and workmen, 1,447.—Also, 233 drivers; 562 horses; 26 mules and 6 oxen, employed in driving and working—285 carts, 20 scoops, 13 ploughs, 11 two-horse wagons, 3 three-horse wagons, 28 four-horse wagons, 1 six-horse wagon, 5 one-horse railroad cars, 14 two-horse railroad cars, 10 three-horse railroad cars, 14 drags, 4 brick-moulding machines and sundry cranes.

The rail road cars are used upon temporary rail roads in removing rock and transporting bricks and other materials at the Tun-

nel and in the transportation of stone from various quarries, to Lock No. 58, the four locks near the Tunnel, the four locks at and near Old Town, the Town Creek aqueduct and several other structures of masonry. The total length of these temporary railways is nearly nine miles. They greatly add in the prosecution of the work by materially lessening the number of horses, of which there has been a scarcity, needed for the transportation of materials, and enabling the contractors to carry on their work much more economically than if the usual mode of transportation over the common roads of the country were solely relied upon.

The work done, and that which remained to be done on the 1st instant, may be thus distributed :

	Work done.	Work to be done.	Total.
1st Sections,	\$297,385	\$172,586	\$469,971
2nd Tunnel and its deep cuts,	86,081	91,919	178,000
3rd Locks (composite,)	74,308	153,523	227,831
4th do. (masonry,)			
5th Aqueducts,	30,337	41,370	71,707
6th Culverts,	63,423	58,250	121,673
7th Wastes and Waste-Weirs,	2,283	39,703	41,986
8th Lock houses,	250	10,800	11,050
9th Bridges, Roads, and Ferries,	6,375	16,629	23,004
10th Dam No. 8 and Guard lock,	16,757	5,043	21,800
11th Miscellaneous work,		16,746	16,746
12th Transportation of cement,	6,010	13,001	19,011
13th Weigh-lock and house,		18,500	18,500
	\$583,209	\$638,070	\$1,221,279

In stating the amount of work, according to the "August 1845 estimate," undertaken by the contractors for the completion of the canal, I have, as before remarked, excluded the whole of the *general allowance* for contingencies, in that estimate. The reasons are : First, that it is now ascertained there can be but little work of a contingent character, not specifically and fully provided for in the estimates of the separate and individual works. And second, whatever there may be, not thus provided for, will be less in amount than the saving upon the "August 1845 estimate," arising from the substitution of composite for masonry locks at and near Old Town, and the dispensing with certain works, hereinafter to be spoken of.

To guard against misapprehension, when comparing the amount of work done as herein given with the payments therefor by the company, I would state that the prices of the "August 1845 estimate,"—which are *cash* prices,—are not those of Hunter and Co.,—they being paid in *bonds*. The latter prices exceed the former, but by what precise per centage it is impossible to say until

after the completion of the canal, for the reason that the contractors have undertaken to do for a fixed sum,—many things which, to some small extent, must remain uncertain as to their cost and amount until the contract is entirely executed. For the present, it is assumed that the prices of Messrs. Hunter & Co. exceed those of the "August 1845 estimate" at least twelve and a half per cent., and the monthly estimates of work done and payments thereon are made accordingly. The monthly estimate, therefore, of work done to the 1st inst., in place of being \$583,209,—as it would have been at the "August 1845" prices,—amounts to twelve and a half per cent. more,—that is to \$656,110.

The substitution of composite, for masonry locks, four in number, at and near Old Town,—advised by me and agreed to by the board,—during the past year, was advisable for several reasons.

The quarries that had been relied upon to furnish stone for the masonry locks were found to be very expensive and difficult to work. Quarries, nearer at hand and easy to work, which it was hoped, upon being opened, would furnish stone that might be used to a large extent in masonry locks, were then resorted to. After much time had been spent and money expended in these quarries, it became evident that the stone from them were unsuitable for masonry locks, but were such as would make good and substantial composite locks. By the change of plan it is rendered more certain that the locks will be built in time, and although the cost of maintaining composite is greater than that of keeping up masonry locks, yet the difference in this respect is far more than made up by the interest on the saving in the first cost of the locks.

By an arrangement with M. L. Cresap, the company have been released from an obligation to construct a bridge and forebay over the canal and a basin for the accommodation of his mill. The *cash* estimate of "August 1845" of the cost of these works was \$4,278. The company, by paying Mr. Cresap, in their preferred bonds, a sum about equal to what Messrs. Hunter & Co. were to receive for constructing the works dispensed with, get rid of the expense of keeping up the bridge and forebay, which being of wood, would require occasional renewals as well as repairs from time to time.

The arrangement, now in contemplation, with A. P. Shephard to dispense with a culvert at Old Town, will, if perfected, reduce the amount of work to be done by Messrs. Hunter & Co. about \$3,000.

There are also some other works that it may be advisable altogether to dispense with, but of which I do not speak more particularly, as there may and probably will be works of about equal cost, not included in the estimate of "August 1845" that will be constructed under the contract of Messrs. Hunter & Co.

On the 8th of December last, I was authorised by the Board to organize a party for the examination of the line of canal between Georgetown and Dam No. 6, with a view to ascertain what would be the cost of putting that portion of the canal in good condition and repair, and making it secure against damage from the freshets of the Potomac. A party was accordingly organized early in December, and placed under the charge of William H. Bryan, Esq., as assistant engineer. The survey has been made, and its results will be communicated to the board in a separate report. It may not be amiss, however, to say, in this connection, that it is of the utmost importance to the company that the old portion of the canal referred to, should be thoroughly repaired at the earliest practicable moment.

By an order of the board passed on the 8th of February last, I was directed "to locate and designate the sites for the future extension of the works of this company up Wills Creek so far as may now be necessary" to enable the Baltimore and Ohio Rail Road Company so to locate the extension of their road from Cumberland westward as not to interfere with the rights of this company, "and up the North Branch of the Potomac as far as the mouth of Savage river."

In pursuance of this order a party was organized and placed under the direction of Randolph Coyle, Esq. as assistant engineer, which commenced operations in the field on the 1st day of April. An earlier commencement of the survey was prevented by the unsuitable weather and unfavorable state of the river in February and March, for such a survey.

The survey has progressed sufficiently far to enable me to say, that it will be completed and its results communicated to the board at an early day.

Respectfully submitted,
CHARLES B. FISK,
Chief Engineer.

(B.)

General James M. Coale, President of the Chesapeake and Ohio Canal Company.

SIR:—Two of us, Messrs. Hale and Allen, having recently visited the canal for the purpose of observing the progress of the work, and of ascertaining whether the arrangements which were made with the contractors in November last for carrying forward certain portions of it during the winter, and for the active commencement of the whole of it on the opening of the spring, had been carried into effect with a force sufficient to carry forward the several contracts in a manner to insure the completion of the

canal within the period limited by the contract, we respectfully report the following statement for the information of the Board of Directors.

The heaviest portion of the work which remains to be finished, is the tunnel. This is now advancing in a manner which seems to ensure its completion in season. The bricks which were burnt the last season, were all laid during the winter, and at the close of the month of April, 730 feet in length of the entire arch, were laid ; and in addition, 1900 feet in length of the side wall to the springing of the arch on one side, and 1700 feet on the other side, were laid. The foundation for the wall was also prepared, and the lower course of bricks laid, for a further distance of 1000 feet on one side, and such part of the material at the bottom of the cut, as will not be required for the packing, was removed. The packing at the top of the arch was going on rapidly, and with an ease, by the aid of a railway track to carry the stones to the top of the arch by horse power, which removes all doubt that the progress of this part of the work will advance at nearly an equal pace with the making and laying of the bricks. Very satisfactory progress has been made during the winter in completing the excavation of the deep cut at the northerly end of the tunnel, and it appears to be going forward at a rate which insures its being finished in season.

The making of bricks was resumed, as early in the spring, as the state of the season would admit, and it is going on in a satisfactory manner. About 1,000,000 have been moulded within the past month, of which 250,000 were burnt and ready for delivery, and another equal portion were in the kiln, and ready for the lightning of the fire. An ample force was employed in moulding, to keep up the supply of bricks as fast as they could be used, and the wood was cut and in readiness for the burning of the whole.

The masonry at all the other points had received careful attention. At several of them the work requires to be vigorously pressed, and the chief engineer on his tour of inspection over the works, gave notice that at three of these points a further force would be required. This requisition has been already attended to, and we feel assured that at these points, as well as at all others, unless some unexpected disaster shall occur, every branch of this masonry will be completed in ample season. The earth work, consisting of the excavation and embankment, on all the sections, is so far advanced, by the work already done on the difficult parts, as to remove all anxiety in regard to the practicability of completing it within the required period ; either by the force already employed, or with such increase as it may be found necessary to apply. Regular parties under the superintendence of competent persons are employed, for the completion of the section on which a small amount of work remains to be done, and not included in the contracts with sub-contractors. Preparations are also made for the prompt execution of the lock gate and other

wood work. In conclusion, we have the satisfaction of expressing a strong confidence, founded on a review of the present state of the work, and of the arrangements which have been made for its prosecution, that unless prevented by some adverse event of unusual occurrence, the canal will be in readiness for introducing the water, and the opening of navigation, from Cumberland to Dam No. 6, by the 1st day of October next.

Very respectfully,

Your obedient servants,

NATHAN HALE,

JOHN DAVIS,

HORATIO ALLEN.

BOSTON, May 7th, 1849.

STATEMENT C.

Statement showing the Officers in the service of the Chesapeake and Ohio Canal Company, in the year ending 31st December 1848, and the Compensation to which they have been severally entitled for the same period.

John Page, Inspector of Cargoes,	do	300 00	1,100 00
John Moore, Keeper of Locks 1 to 4,	-	600 00	
Frederick Metz, Keeper of Lock 5, &c.,	-	200 00	
James Dalzell,	6	150 00	
James Wilburn,	7	150 00	
Levi Barnett,	8	150 03	
John Lambie, Keeper of Locks 9 and 10	-	200 00	
W. H. Burgess, Keeper of Lock 11	-	150 00	
John T. Harrison, Keeper of Locks 12, 13 and 14	-	250 00	
Rebecca Tarman, Keeper of Lock 15	-	175 00	
Mary A. Brewer,	do 16	175 00	
William D. Howser, Keeper of Locks 17 and 18	-	225 00	
Daniel Collins,	do 19 and 20	200 00	
Samuel Fisher, Keeper of Lock 21	-	150 00	
John Fields,	do 22	150 00	
Edward L. Trail,	do 23	200 00	
		3,125 00	
3rd. Second Superintendency,			
William S. Elgin, superintendent,	-	50 00	
Lloyd C. Belt, collector at Point of Rocks,	-	100 00	
William S. Elgin, " Harper's Ferry,	-		
John Wells, Keeper of Lock 24,	-	150 00	
Asa Aud, No. 25th to the 1st of June,	-		
George W. Bozzell, since -	-		
		\$111 11	
		135 89	
		250 00	

STATEMENT C.—Continued.

A. K. Stake, Keeper of Lock 41 and 42 to 1st July,
L. Stanhope, since

■ Isaac Dodd, Keeper of Lock 43
J. Hollman, do 44 water power
C. Myers, do 45 and 46
Jacob Morter, Guard Lock 5
Daniel Brewer, No. 47, 48, 49 and 50
Upton Bowland, No. 51 and 52 to 1st April
J. Miller, since

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STATEMENT D.

Statement exhibiting the amount of tolls which accrued to the Chesapeake and Ohio Canal Company, in each month during the year ending the 31st of December, 1848.

	Ascending.	Descending	Total.
1848.			
January,	\$100 97	\$611 89	\$712 86
February,	400 69	3,372 45	3,773 14
March,	613 70	4,941 10	5,554 80
April,	1,064 10	3,816 58	4,880 68
May,	893 65	3,998 18	4,891 83
June,	583 84	3,219 61	3,803 45
July,	195 15	690 94	886 09
August,	1,014 41	4,145 17	5,159 58
September,	864 91	4,338 00	5,202 91
October,	938 35	5,199 20	6,137 55
November,	986 45	6,189 72	7,176 17
December,	749 18	5,217 97	5,967 15
	\$8,405 40	45,740 81	54,146 21

Office Chesapeake and Ohio Canal Company,
Frederick, January 10, 1849.

WALTER S. RINGGOLD,
Clerk of the Chesapeake and Ohio Canal Company.

List of Articles transported on the Chesapeake and Ohio Canal during the year ending the 31st December, 1848.

ASCENDING FROM GEORGETOWN AND INTERMEDIATE PLACES TO VARIOUS POINTS ON THE CANAL.

Salt Fish, barrels,	-	-	3,477
Salt, tons	-	-	2,133
Plaster, tons	-	-	7,310
Coal, tons	-	-	880
Shad and Herring, fresh, tons	-	-	535
Lumber, board measure, feet,	-	-	1,391,000
Lime, tons	-	-	61
Iron, tons	-	-	41
Iron Ore, tons	-	-	2,575
Flour, barrels	-	-	155

STATEMENT D.—Continued.

Potatoes, bushels	-	-	-	-	856
Corn meal, bushels	-	-	-	-	59
Offal, bushels,	-	-	-	-	278
Oysters, bushels	-	-	-	-	4,700
Bricks, number	-	-	-	-	22,000
Dry Goods, Groceries, and sundry articles not enumerated, tons	-	-	-	-	1,010
Equivalent to 16,439 tons.					

DESCENDING FROM THE VARIOUS POINTS ON THE CANAL TO INTERMEDIATE PLACES AND TO GEORGETOWN, D. C.

Flour, barrels,	100,127	150,612	100,127	-	217,112
Wheat, bushels,	100,687	120,242	100,687	-	220,025
Corn, bushels,	100,056	120,650	100,056	-	144,103
Corn meal, bushels,	-	100,118	-	-	7,266
Rye, bushels,	-	100,610	-	-	360
Oats, bushels,	-	100,750	-	-	12,959
Offal, bushels,	-	100,100	-	-	77,553
Flax and other seed, bushels,	-	100,800	-	-	852
Potatoes, bushels,	-	100,700	-	-	2,135
Apples, bushels,	-	100,917	-	-	7,776
Whiskey, barrels,	-	100,050	100,602	100,819	2,213
Cement, barrels,	-	100,050	100,602	100,819	1,744
Limestone, perches,	-	-	-	-	10,030
Stone, rough, perches,	-	-	-	-	8,879
Lime, tons,	-	-	-	-	1,366
Coal bituminous, tons,	-	-	-	-	3,284
Iron, tons,	-	-	-	-	559
Iron Ore, tons,	-	-	-	-	63
Hay, tons,	-	-	-	-	95
Nails, kegs,	-	-	-	-	8,358
Tobacco, hds.	-	-	-	-	38
Wood, cords,	-	-	-	-	6,904
Bark, cords,	-	-	-	-	1,364
Lumber, board measure, feet,	-	-	-	-	2,080,600
Shingles, Staves, Hoop-poles, &c., number,	-	-	-	-	993,100
Rails, number,	-	-	-	-	5,425
Round Timber, tons,	-	-	-	-	227
Bricks, number,	-	-	-	-	10,000
Sundry articles not enumerated, tons,	-	-	-	-	685
Equivalent to 69,997 tons.					

STATEMENT E.

Total expenses of the Chesapeake and Ohio Canal Company for the year ending 31st December, 1848, exclusive of cost and charges for completion.

MONTHS.	Construction of the Canal.	Repairs ordinary.	Repairs extraordinary.	Pay to superintendents, collectors, & lock keepers.	Aggregate.
January, 1848	1,738 17	\$ 5,232 41	\$ 999 91	\$7,970 49	
February,	1,723 84	3,400 13	1,000 01	6,123 68	
March,	1,404 68	3,551 79	1,000 08	5,956 55	
April,	2,845 95	525 00	999 94	4,370 89	
May,	1218 83	1,880 72	520 00	988 76	4,608 31
June,	2,311 49			987 57	3,299 06
July,	3,215 27			987 41	4,202 68
August,	2,957 78			987 51	3,945 29
September,	3,231 95			987 58	4,219 53
October,	3,046 02	2,300 00		987 41	6,333 43
November,	3,797 08	550 00		987 51	5,334 59
December,	2,712 62			987 58	3,700 20
1848	\$ 1218 83	30,865 57	16,079 33	11,901 27	60,065 00
Add,					
Pay of officers,				\$ 4,850 97	
Interest,				3,145 15	
Postages,				92 27	
Printing and Stationery,				207 45	
Law expenses, including salary of standing Counsel,				371 92	
Contingent expenses,				1,037 52	
					9,705 28
					\$ 69,770 28

Treasurer's Office of the Chesapeake and Ohio Canal Co.,

Frederick, January 5, 1849.

LAWRENCE J. BRENGLE, Treasurer and Accountant.

STATEMENT F.

Abstract of the receipts into, and payments from, the Treasury of the Chesapeake and Ohio Canal Company, for the year ending the 31st of December, 1848.

To Tolls,	-	-	\$50,586 02	By Construction of the Canal, (for repairs,) -	\$ 59,271 52
“ Capital stock,	-	-	“ 1,585 38	“ Engineer department, -	16,000 00
“ Water rents,	-	-	2,375 74	“ Interest, -	3,725 68
“ Acquisition of lands, (ground and house rent,)	-	4 SS 33	“ Postages, -	-	120 68
“ Interest, (from capital stock due,)	1,781 47	-	“ Post Notes, 1840, -	-	465 00
“ Contingent expenses,	133 30	-	“ Law expenses, -	-	2,937 54
“ Hunter, Harris & Co. (contract'rs.)	73,045 75	-	“ Pay of officers, -	-	6,099 54
	<hr/>	129,995 99	“ Acquisition and condemnation of land, -	-	26,141 41
		3,193 51	“ Printing and Stationery, -	-	476 95
Balance from 31st December, 1847,			“ Contingent expenses, -	-	1,100 00
			“ Special contingent expenses, -	-	1,642 00
			“ Coupons paid on preferred bonds, -	-	3,412 90
				<hr/>	<hr/>
				121,393 25	121,393 25
			In the Treasury, &c., viz:		
			£475 Maryland 5 per cent. sterling bonds due but not issued to the Company, -	\$ 2,111 12	
			Merchants' Bank of Baltimore, -	9,632 85	
			John Van Lear, Jr., Trustee, -	43 87	
			Washington County Bank, -	8 41	
				<hr/>	<hr/>
				11,796 25	11,796 25
				<hr/>	<hr/>
			133,189 50	133,189 50	

Treasurer's Office Chesapeake and Ohio Canal Co., Frederick, Jan. 5, 1849.

L. J. BRENGLE, 'Treasur'r.

[F]

General Statement of the Chesapeake and Ohio Canal Company.

DEBTOR.

	\$	8,226,190 39	87
Capital stock,			
State of Maryland loan,		\$2,000,000 00	
interest on same in arrear to 31st December, 1848,		1,135,000 00	
do. for interest paid in London, &c., on \$4,375,000 Bonds,		663,611 94	
do. for guaranteed dividends to 31st December, 1848, payable out of net of Canal,		1,706,250 00	
do. premium charged for converting paper into coin,		9,975 00	
Post Notes bearing interest outstanding of various issues,			
Bonds or do. issued in payment of post notes,			
do. to creditors,			
do. creditors of Potowmac Company,		56,896 48	
do. Interest in arrear added to 31st December, 1845,		19,150 55	
do. for temporary loans,			
Acceptances to creditors,			
Certificates for repairs, &c. prior to 1845,			
Preferred Bonds issued for completion,			
Chesapeake Bank of Baltimore, overdrawn,			
Balances due to contractors,			
do. retained under contract for completion,			
			E
			29,085 80

General Statement of the Chesapeake and Ohio Canal Company.—Continued.

L. J. BRENGLE, Treasurer.

Treasurer's Office, Chesapeake and Ohio Canal Company, Frederick city, May 31st, 1849.

(H.)

MEMORIAL.

To the Honorable the General Assembly of Virginia:

The memorial of the President and Directors of the Chesapeake and Ohio Canal Company respectfully states: That under the provisions of the Act passed by the General Assembly of Maryland, at its December session, 1844, ch. 281, entitled, "An Act to provide for the completion of the Chesapeake and Ohio Canal to Cumberland, and for other purposes," and with the means authorized and secured by said act, the work of completing the unfinished portion of the canal between Dam No. 6 and Cumberland, which, had been so long delayed for want of adequate resources, is now in active progress under a general contract entered into for that purpose, with every reasonable assurance that the canal will be finished to its said destination during the ensuing year. The company, therefore, and all others interested in this great enterprise, may, we hope, be relieved from further solicitude in regard to this all-important and interesting subject. And your memorialists state, that under these circumstances, and in view of the large amount of tonnage that will soon be introduced upon the canal after its completion, the attention of the board has been anxiously directed to the expediency of repairing and improving the portion of the work extending from the District of Columbia to Dam No. 6, a distance of $134\frac{1}{2}$ miles, in order that the entire line from Cumberland down, may be in a condition to sustain successfully the expected trade.

In consequence of some defects in its original construction, and injuries caused by the wear and tear of time and heavy freshets, which have in some places been but imperfectly repaired and removed by reason of an insufficiency of means, (the annual revenues having been heretofore scarcely sufficient to defray the ordinary current expenses and maintain the navigation,) the portion of the canal alluded to, in its present condition, is considered incapable of sustaining the requisite depth of water, and of accommodating boats of the full burden for which its capacity was designed, but with a comparatively small expenditure of money, timely and judiciously applied, it may be easily made adequate to the purpose.

To enable the company to accomplish this highly desirable object, your memorialists now respectfully appeal to the State of

Virginia, as the source to which they may, with some confidence, direct their attention. According to an approximate estimate of the chief engineer of this company, the amount that will be needed and can judiciously be expended for the purpose, is (two) hundred thousand dollars. With this sum, your memorialists feel satisfied that the canal can be put in complete and thorough repair, and rendered capable of maintaining a navigation sufficient for all necessary purposes.

A loan to the above amount is now respectfully solicited. From the State of Maryland, no further aid can at present be reasonably expected. Ever since the year 1833, when the other original parties to the undertaking declined to afford further assistance, this State, with a liberality and perseverance which in view of its limited resources scarcely has a parallel, has maintained its fostering care of the work and devoted its means to the costly task of completing it to the destined terminus at Cumberland, where it would be of convenient access to the vast mineral deposits which have from the first been alone looked to, to render it productive and capable of reimbursing the large expenditure of money that has been made upon it. Between the years 1834 and 1840, Maryland has, by loans and subscriptions, aided the company to the amount of \$6,375,000, as security for which, the State took mortgages on the canal and its revenues. The above sum having been found insufficient to finish the work, and the ability of the State to make further loans having been for the time exhausted, its Legislature in 1845, generously, and as the only feasible mode of insuring the completion of the canal, waived the State's liens, and authorized and empowered the company to pledge its revenues to such amount, not exceeding \$1,700,000, as might be required to complete the unfinished portion of the canal between Dam No. 6 and Cumberland. Under this law it is, that the work is now progressing to completion, and by a proviso in it, the board of president and directors are also at all times authorized to use and apply such portion of the revenues and tolls as in their opinion may be necessary to put and keep the canal in good condition and repair, &c.

As the revenues and tolls, however, in the unfinished condition of the canal are inadequate, and must continue to be so until after it is completed, present aid to the amount indicated, is required for this purpose, by way of loan, in anticipation of the revenues, the interest on which this company can, we believe, readily pay until it discharges the principal.

Your memorialists indulge the hope that your honorable body will by law grant them such loan. The State of Virginia was the first to patronize and bring the company into existence, and cannot but be solicitous that the canal shall realize the hopes that were entertained in regard to its productiveness when finished, as it now soon will be. Her citizens residing on the Potomac are deeply interested in its success; and the benefits that it will confer upon the city of Alexandria, now once more included within

her borders, furnish strong and unquestionable grounds for appealing to her for assistance.

It was the apprehension, in the language of a memorial from Baltimore presented to the Maryland Legislature at December session, 1844, that upon the completion of the canal "the various branches of trade which now constitute the chief element of the commercial prosperity of the city of Baltimore, would be transferred to Alexandria," that mainly contributed to excite the opposition from that quarter against which this company had so long to struggle; and although these apprehensions, so far as respects the anticipated injury to Baltimore, may be considered as unfounded, yet, that by the *new sources* of trade to be opened by the canal, it will tend to the aggrandizement of Alexandria, and consequently to the State of Virginia, is a proposition that cannot admit of doubt. But as your memorialists have stated, to enable the canal to command and to encourage this trade, and to justify a transportation at rates that will be calculated to increase and build it up to the importance that it may speedily be made to acquire, early steps should be taken to put the present finished portion of the canal below Dam No. 6, in a condition to transport boats of as large a tonnage as will be accommodated on the newly constructed part above that point; and to this end a loan of money, to the amount hereinbefore mentioned, is necessary.

With our present inconsiderable and irregular trade, no material prejudice or inconvenience would be sustained, by drawing and keeping the water out of the canal, as long as might be required to make the requisite repairs and improvements. But far different would be the case if they should be delayed until after the canal is finished. The parties interested in the coal fields in the vicinity of Cumberland, have already made, and are making, extensive preparations for sending down large quantities of coal, immediately on the completion of the canal, and of keeping up thereafter a regular transportation of that article, and great loss and embarrassment would consequently ensue, both to them and to the company, should the navigation be then suspended for said purpose. In this view alone, it is of very great importance that immediate means be obtained to put the present finished portion of the canal in complete condition. Another highly important object would be obtained thereby, in enabling the company to grant water privileges for mills and other manufacturing establishments at Alexandria and other points where they are now much wanted, and the applications for which the company have been constrained hitherto to refuse, in consequence of the insufficiency of the supply. Your memorialists therefore indulge the hope, that in the present exigencies of the company, and the flattering prospects before it, which may be so materially prejudiced without the aid required, your honorable body will pass a law granting a loan to the company in money, or bonds or certificates of debt of the State of Virginia, which will be con-

sidered as so much cash, to the amount before mentioned, for the purpose of enabling the company to put the finished portion of the canal below Dam No. 6, in complete condition and repair.

All which is respectfully submitted.

J. M. COALE, *Pres. Ches. and Ohio C. C.*
 HENRY DAINGERFIELD,
 SAMUEL P. SMITH,
 JOHN PICKELL,
 GEORGE SCHLEY,
 W. A. BRADLEY, } *Directors.*

(I.)

A N A C T

To aid the Chesapeake and Ohio Canal Company in certain repairs of their work and for other purposes.

(PASSED MARCH 15th, 1849.)

Whereas it is represented to the General Assembly in a memorial from the President and Directors of the Chesapeake and Ohio Canal Company, that the means provided by the Act of Maryland, passed at December session 1844, chapter 281, are applicable only to the important object of completing the Canal from Dam No. 6 to Cumberland, that from the wear and tear of time and freshets, the finished part of the work below Dam No. 6 requires repairs and improvements to enable it to meet and accommodate the expected heavy tonnage to be transported on the Canal upon its completion, and that if these repairs be delayed until that time (as must be the case unless aid is now furnished) there must be, whenever they are made a suspension of, transportation which would be detrimental to all the interests involved, and among them to the interests of this Commonwealth, exceeding in value half a million of dollars: therefore,

Be it enacted by the General Assembly, that it shall be the duty of the Treasurer of the Commonwealth to underwrite or endorse the guarantee of the State to the bonds of the Chesapeake and Ohio Canal Company, to be issued in pursuance of this act, to an amount not exceeding \$200,000, in the form or to the effect following, to wit: I, A. B., Treasurer of the Commonwealth of Virginia, in conformity to an Act of the General Assembly of Virginia, passed on the _____ day of _____ 1849, do hereby pledge the faith of the State for the punctual payment of the interest, and the redemption of the principal sum of money appearing to be owing by the within or above bond according to the terms therein specified. In testimony whereof, I have hereto set

my hand and affixed my seal of office at Richmond, Virginia, the _____ day of _____ 18 _____. A. B., Treasurer.

The said bonds shall be made payable on a day or days not later than the first day of January 1870, and shall bear interest at the rate of 6 per cent per annum, payable half yearly, and the proceeds thereof shall be applied only to the repairs and improvement of the Canal below Dam No. 6; provided, however, that no such guarantee shall be made by the Treasurer unless the Board of Public Works shall certify, or make known to him that they are satisfied the payment of the principal and interest of the said bonds, according to the terms thereof, is sufficiently secured: nor shall such guarantee be made unless the Company shall furnish to the said Board a statement of the particular repairs to be done, accompanied by estimates of the cost thereof by their principal Engineer, which repairs and estimates shall be approved by the Board, and unless the Company shall also engage upon the requirement of the said Board to furnish from time to time statements of the progress of the said repairs, and the applications of the proceeds of said bonds.

Be it further enacted, that no such guarantee shall be made by the Treasurer until said Company shall file with the Board of Public Works their obligation for the construction of an outlet Lock at such point on the Potomac River as may be designated by Commissioners appointed by the County Court of Loudoun, under the provisions of the acts of February the 20th, 1833, and April 9th, 1839, providing for the completion of said Lock by the 1st day of September 1850: if the said Company shall have the power to apply any of its funds or resources to that purpose, and if not, then they shall construct the said Lock under the requisition of the Board of Public Works, as soon as the said Company shall have its means legally applicable to such object.

Be it further enacted, that no such guarantee shall be made by the Treasurer of this Commonwealth, until the said Chesapeake and Ohio Canal Company shall file with the Board of Public Works their obligation, conditioned for the construction prior to the year 1852, of a suitable Lock to enable the river boats to reach the Canal, and return from it to the river again at some point opposite to the County of Berkley, to be selected by Commissioners appointed by the County Court of Berkley, as herein after provided for.

Be it further enacted, that the said County Court of Berkley shall at its next May term, or at some subsequent term of the Court, as soon thereafter as practicable appoint three discreet and disinterested freeholders as Commissioner's whose duty it shall be to examine, with the assistance of an Engineer of the Chesapeake and Ohio Canal Company, if one shall be detailed for that service by said Company, and if not, without such assistance, the several points upon the Potomac River where the construction of such a Lock is most required for the accommodation of the trade of said county of Berkley, and report to said Court as soon there-

after as practicable, the advantages and disadvantages of the several points where the construction of such Locks is suggested or claimed. And the said Court, all the acting Justices being first summoned for that purpose, shall, upon the evidence of the report of said Commissioners and such other evidence as may be adduced, decide at what point the said Lock, in their opinion, ought to be constructed. And the said County Court, so soon as it shall have decided as aforesaid, shall transmit a copy of its proceedings to the President of the Chesapeake and Ohio Canal Company, who shall be governed by said decision in the location of said Lock.

Be it further enacted that the Board of Public Works be and they are hereby authorised to release the said Company from the obligation to construct said Lock, if in their judgment the facilities already afforded to the passage of boats into and out of said Canal are sufficient for the accommodation of the trade of the county of Berkley: and provided further, that no such guarantee shall be made by the said Treasurer, until the board of Public Works shall be satisfied, that the Chesapeake and Ohio Canal Company have paid, or arranged to pay, out of any money or assets, which they now have, or hereafter may have, applicable to such purpose, or secured to the best of their ability, all debts due to and to comply with all contracts made with the Alexandria Canal Company, and shall also have granted upon fair and reasonable terms, to the said Company (which shall have power to take, hold, and enjoy the same) such reasonable proportion of water rights and privileges required by the said Company, which may be in the power of the Chesapeake and Ohio Canal Company to afford without effecting previous contracts, or which may not injure the navigation of the said Chesapeake and Ohio Canal.

This act shall be in force from its passage.

STATE OF VIRGINIA, CITY OF RICHMOND, *to wit*:

I, George W. Munford, Clerk of the House of Delegates and Keeper of the Rolls of the Commonwealth of Virginia, do hereby certify that the foregoing is a true copy of an act passed by the General Assembly of Virginia on the 15th day of March, 1849.

Given under my hand this 22nd of March, 1849.

(Signed,) **GEORGE W. MUNFORD,**
Cltk H. D. and Keeper of the Rolls of Va.

(K.)

Whereas the Baltimore and Ohio Rail Road Company are desirous of extending their road from a point on the Mount Savage Rail Road, about two thousand feet above their present Depot at Cumberland, across Wills Creek, and thence through Academy Hill to and up the valley of the North Branch of the Potomac to the Savage River.—And whereas the said Company not being

authorised to occupy for the route or side of their said Road any place along the Potomac River or Wills Creek "in such a manner as either to exclude this Company from a priority in the choice of a site or sites for the construction of the works authorised by its charter, or in any manner to restrict or circumscribe it in the exercise of its prior right of election," have made application to this Company to designate the sites for its future improvements and works so far as it may now be necessary, for the purpose of enabling the said Rail Road Company to locate their road and construct their works with reference thereto, and so as not to interfere with the same: And whereas this Company, though not intending immediately to proceed with the construction of its works beyond Cumberland, are yet disposed to gratify the wishes of the Rail Road Company in this behalf; therefore,

Resolved, That the Chief Engineer of this Company be directed, without delay, to locate and designate the sites for the future extension of the works of this Company, up Wills Creek so far as may now be necessary in the premises; and up the North Branch of the Potomac as far as the mouth of Savage River.

Resolved, That this Company does not object to the Baltimore and Ohio Rail Road Company's proceeding at once if they see fit, with the location and construction of their road at such places and upon such plans as, in the opinion of the Chief Engineer of this Company, cannot interfere with the future improvements of this Company, or with the construction of Railways to connect the Coal fields therewith, and with the Canal Basin at Cumberland.

The reading of the Report having been finished,

On motion of Mr. Davis, it was

Ordered, That the Report of the President and Directors, with the accompanying papers, be referred to a committee of three, and that said committee be appointed by the Chair.

The Chair, accordingly named Wm. T. Goldsborough, Wm. W. Seaton and Fred. A. Schley, Esq'rs., as the committee.

On motion,

The Stockholders then adjourned to meet at Barnum's Hotel, in the city of Baltimore, on Wednesday the 18th day of July next.

(Signed,)

SAM'L SPRIGG, Ch'r.

W. S. RINGGOLD, Sec'y.

Barnum's Hotel, Baltimore,

WEDNESDAY, July 18th, 1849.

The Stockholders of the Chesapeake and Ohio Canal company assembled this day, pursuant to adjournment on the 13th of June last.

Present—The State of Maryland, by Gov. Sam'l Sprigg, A. B. Davis, and Wm. T. Goldsborough, Esqrs.

The Corporation of Washington, by B. B. French, Esq.; and Wm. Easby, Esq., a private stockholder, altogether representing a majority of the stock of the company.

On motion,

Gov. Sprigg, took the chair; and Walter S. Ringgold, acted as secretary.

The journal of the meetings held on the 4th and 13th of June last, was read.

The following proxies were presented and being forced in due form, were ordered to be filed, viz:

The State of Virginia, to James L. Ranson, Esq.;

The Corporation of Washington, to Wm. W. Seaton, B. B. French, and Wm. H. Winter, Esqs.

Mr. Goldsborough, in behalf of the committee appointed at the last meeting, presented and read the following

REPORT :

To the Stockholders of the Chesapeake and Ohio Canal Company in general meeting assembled.

The committee to whom was referred the Twenty-first Annual Report of the President and Directors, to the Stockholders made on the 4th of June last, respectfully report that they have carefully examined the Books and accounts of the Company for the last fiscal year, and found them to be accurately stated, and all the disbursements to be duly vouch'd. The lucid analysis and clear statements contained in the body of the Report, render it unnecessary for the committee to recapitulate the disbursements of the year, or to dwell upon the several subjects therein, so fully and satisfactorily discussed. They will however not withhold the expression of their gratification at the assured prospect of the early completion of the Canal to Cumberland, and hope that the gentlemen who, on behalf of the contractors, have undertaken for the duly carrying the contract into execution, will take care that an efficient and adequate force be at all times maintained on the line. We trust that no unpropitious state of things will arise to prevent their doing so. The early fulfilment of the obligations of the contract, is a matter of deep and general interest to all, whether immediately or indirectly concerned in the completion of the Canal; and the consummation of that great object is now looked to with hopeful expectation. We are pleased to say, that so far as our opportunities have enabled us to judge, the President and Board have been studiously engaged in expediting and pressing on the work to its earliest completion, so far as it is in their power to do so under the provisions of the contract; and that from time to time the agents and attorneys of the contractors have been strongly admonished of the propriety of employing and keeping up the necessary working force. It may be fully assumed from the statements contained in their communication to the President, which is in the appendix to the Annual Report, that it is their determination to do so. The completion of the Canal will present a new

and brilliant era in the history of the Company, from which we are satisfied will be dated the commencement of long years of prosperity and success.

In conclusion, we recommend to the Stockholders the adoption of the following order, in fulfilment of the provisions of the Charter.

Ordered, That it be and is hereby certified by the Stockholders here present, that the President and Directors have rendered distinct accounts of all their proceedings during the past year, and that the same have been found to be justly and fairly stated.

Respectfully submitted,

FREDERICK A. SCHLEY, }
WM. T. GOLDSBOROUGH, } Committee.

The report having been read and accepted by the meeting,

On motion,

The following order was adopted in conformity with the recommendation of the committee:

Ordered, That it be and it is hereby certified by the stockholders here present, that the President and Directors, have rendered distinct accounts of all their proceedings during the past year, and that the same have been found justly and fairly stated.

On motion of Mr. Davis, it was

Ordered, That 250 copies of the Report of the President and Directors, with the accompanying documents presented on the 13th of June last, and the same number of the reports presented by the committee this day, be printed for the use of the stockholders.

On motion of Mr. Davis, it was

Resolved, That the stockholders do now proceed to the election of President and Directors of the company, for the ensuing year, and that the chairman appoint a committee of three to receive and count the ballots.

In accordance with the aforesaid resolution, the chair appointed Mr. Davis, Mr. French and Mr. Easby;

Mr. Davis, nominated for re-election the present board of President and Directors.

The Stockholders then proceeded to the election of President and Directors, and the ballots having been counted, the committee appointed to superintend the election, made the following report:

We, the undersigned, hereby certify, that at an election held this day for President and Directors of the Chesapeake and Ohio Canal Company, the following gentlemen, having the highest number of votes, were duly elected, viz:

James M. Coale, President; William A. Bradley, Henry Dangerfield, Wm. Cost Johnson, John Pickell, George Schley and Samuel P. Smith, Directors, until the first Monday of June next, or until others shall be elected to succeed them.

Given under our hands and seals this eighteenth day of July, 1849.

A. B. DAVIS, [L. S.]
B. B. FRENCH, [L. S.]
WM. EASBY, [L. S.]

Votes given for President and Directors.

James M. Coale.....	12,319
George Schley.....	12,319
Wm. Cost Johnson.....	12,319
Wm. A. Bradley.....	12,286
Samuel P. Smith.....	12,319
John Pickell.....	12,319
Henry Daingersfield.....	12,319
Wm. Tho. Carroll.....	23

The Chair, then declared that James M. Coale was elected President; and George Schley, Wm. Cost Johnson, Wm. A. Bradley, Samuel P. Smith, John Pickell and Henry Daingerfield, Directors of the Chesapeake and Ohio Canal Company, until the first Monday of June next, or until others shall be elected to succeed them.

On motion,

The Stockholders then adjourned to meet at Barnum's Hotel, in Baltimore, on Wednesday the 15th day of August next.

(Signed,)

SAM'L SPRIGG, Chairman.

W. S. RINGGOLD, Secretary.



